ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, December 14, 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

AGRICULTURE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Beginning Farmer Bonds ***Final (One-Time Consideration)***						
1	A) Ryan D. & Heather D. Waldrop	Sumner (Lawrence County)	$237,268	0	0	LK/JS
	B) Wade C. McLaughlin	Woodhull (Henry County)	$150,000	0	0	LK/JS
	C) Jordon Ridgely	Olney (Hamilton County)	$325,000	0	0	LK/JS
	D) Wade Werkheiser	Kewanee (Henry County)	$345,330	0	0	LK/JS
	E) Douglas E. Mattingly II	Paris (Edgar County)	$77,120	0	0	LK/JS
TOTAL AGRICULTURE PROJECTS			**$1,134,718**	**0**	**0**	

BUSINESS AND INDUSTRY

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Affordable Residential Rental Housing Bonds ***Final***						
2	Concordia Place Apartments, L.P.	Chicago	$17,000,000	N/A	N/A	RF
Industrial Revenue Bonds ***Final (One-Time Consideration)***						
3	AML Campus II, LLC & AML Equipment Corporation (Alef Sausage, Inc)	Mundelein	$3,000,000	16	50	RF/JS
Midwestern Disaster Area Bonds ***Final***						
4	KONE Centre Investment Fund, LLC	Moline	$21,000,000	50	53 FTE	RF
Recovery Zone Facility Revenue Bonds ***Final***						
5	Mayo Properties LLC (Moran Transportation Corporation Project)	Elk Grove Village	$4,100,000	39	15	RF
Recovery Zone Facility Revenue Bonds ***Final (One-Time Consideration)***						
6	1200 Internationale Parkway LLC and/or 4580 Weaver LLC (MicroSun Technologies LLC Project)	Woodridge and Warrenville	$3,500,000	80	20-30	RF
7	Rochelle Energy Center, LLC	Rochelle	$10,000,000	0	10	RF
8	SMART Hotels/Olympia Chicago, LLC (Harper Court Hotel Project)	Chicago	$23,000,000	25-27	75-125	RF
9	JH Naperville Hotel, LLC	Naperville	$30,000,000	143	85	RF
TOTAL BUSINESS AND INDUSTRY PROJECTS			**$111,600,000**	**353-355**	**334-394**	

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

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds *Preliminary*						
10	CHF-Normal, L.L.C. and its affiliates	Normal	$65,000,000	5 to 8	TBD	RF
11	CHF-DeKalb II, L.L.C. and its affiliates	DeKalb	$135,000,000	5 to 8	TBD	RF
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
12	Creative Children's Academy (d/b/a Quest Academy)	Palatine	$3,700,000	2	10 to 15	RF
13	St. Francis High School College Preparatory	Wheaton	$4,500,000	2	25	RF
Conduit 501(c)(3) Lease Revenue Bonds *Final (One-Time Consideration)*						
14	Illinois College	Jacksonville	$4,000,000	1 to 2	40-45	RF
TOTAL HIGHER ED/CULTURAL/NON-HEALTHCARE 501(c)(3) PROJECTS			**$212,200,000**	**15 to 24**	**75-85**	

HEALTHCARE

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
501(c)(3) Revenue Bonds *Final (One-Time Consideration)*						
15	Mercy Circle	Chicago	$30,000,000	90	200-235	PL
TOTAL HEALTHCARE PROJECTS			**$30,000,000**	**90**	**200-235**	

LOCAL GOVERNMENT

Tab	Project Name	Location	Amount	New Jobs	Const. Jobs	FM
Qualified Energy Conservation Bonds *Preliminary*						
16	Village of Deerfield	Deerfield	$20,000,000	0	0	JS
TOTAL LOCAL GOVERNMENT PROJECTS			$20,000,000	0	0	
GRAND TOTAL			**$374,934,718**	**458-469**	**609-714**	

RESOLUTIONS

Tab	Projects	FM
Amendatory Resolution/Resolutions		
17	Resolution amending loan documents in connection with the Chinese American Service League	RF
18	Resolution approving the transfer of ownership and lead lender relationship in connection with a Renewable Energy Development-Participation Loan to Agri-Wind, LLC and Agri-Wind Project, LLC. (John Deere Credit)	JS
19	Request by State Bank (Freeport, Illinois) for approval of a 5-year Extension of a Term Participation Loan to Freeport/Stephenson County Visitor's Center NFP.	RF
20	Memorandum in Support of a Loan Extension to the Illinois Facilities Fund, Inc.	BC
21	Resolution authorizing the issuance of a substitute or amended and restated Revenue Bond in exchange for the IFA Revenue Refunding Bonds (Alexian Brothers Health System), Series 2009	PL
22	Resolution appointing Executive Director for one-year term of office	BC
23	Resolution to Adopt the Report of the Compensation Committee	AF
24	Resolution assigning a $7,300,000 Recovery Zone Facility Bond allocation to Bond County for the Donnewald Distribution Co. Project.	BC
25	Resolution to Establish a Medicaid Receivables Program	CM

ILLINOIS FINANCE AUTHORITY

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

December 14, 2010

TO: William A. Brandt, Jr., Chairman
Dr. William Barclay
Gila J. Bronner
Ronald E. DeNard
John E. Durburg
James J. Fuentes
Norman M. Gold
Dr. Roger D. Herrin
Michael W. Goetz, Vice Chairman
Edward H. Leonard, Sr.
Joseph McInerney
Terrence M. O'Brien
Heather D. Parish
Roger E. Poole
Bradley A. Zeller

RE: Message from the Executive Director

Dear Members of the Authority:

As calendar year 2010 concludes, the staff of the Illinois Finance Authority ("IFA") wishes the Board and all of our financing partners a happy and safe holiday season. We anticipate providing a full report of the IFA's activities and closed projects for Calendar Year 2010 as well as goals for Calendar Year 2011 in the January Message from the Executive Director.

The December 2010 Project Agenda

This month's project agenda is driven primarily by the IFA's effort to close deals that provide borrowers with access to the several federal conduit financing tools scheduled to expire at the end of 2010. These tools include:

1. The Recovery Zone Program;

2. Bank Qualified Bonds (i.e., Qualified Tax-Exempt Bonds);

3. Federal Home Loan Bank Letter of Credit; and

4. Alternative Minimum Tax Exemption on private activity bonds.

In addition, the IFA also continues to advocate for the reinstatement of the federal extension of the biodiesel blenders tax credit which expired at the end of 2009.

IFA has devoted considerable resources to educating our borrowers and our finance partners on the job retention/job creation benefits of these tools. We have also done our part to educate our federal legislators on the importance of these tools. As of this time, however, we cannot predict the decisions that may be made by the U.S. Congress on these matters. Accordingly, we still wish to tentatively schedule a ***special second*** meeting of the IFA Board on ***December 23, 2010***. More details will be provided at our meeting on December 14, 2010.

Commitment to Transparency and Accountability in Conduit Bond Finance

Here at the IFA, we take seriously both the value of the federal benefit that we bestow and the statutory policy architecture in which we operate. Transparency and accountability are therefore core priorities of our agency. And, those priorities led us to examine more closely the following scenario, which arises from time to time.

Under federal law, a borrower that qualifies for federally tax-exempt debt must use a state, regional, county or city conduit issuer ("local issuer"). This is an animating principle of municipal conduit finance. This also ensures that the local issuer is accountable to the voters or their representatives in the jurisdiction in which the project financed by conduit debt is located. The requirement of a local issuer ensures compliance with local statutory policies, including but not limited to open meetings, freedom of information, prevailing wage, audit and ethics laws, by the borrower who receives the substantial benefit of federally tax-exempt borrowing (up to a 20% discount in interest costs depending on the borrower and project).

When a non-governmental project is financed with bonds of a local issuer that does not have jurisdiction over the project site, federal tax law tries to preserve its commitment to transparency and accountability by requiring that a local governmental body that does have jurisdiction over the site provide its own review and approval of the project before the bonds may be issued. As well-intentioned as this requirement is, it is not perfect because the local governmental body giving only a "host approval" does not have the same stake in the project as one that is issuing the bonds as well. Thus, the careful review process that is customary for bond issuers that do have jurisdiction over the project site is often lacking in these cases. Illinois has a keen interest in ensuring that the privilege of issuing federally tax-exempt debt for projects in the State be exercised responsibly and therefore would like to see a uniform standard of review applied by the Governor's office to all bond issuances for non-governmental projects that are located outside the jurisdiction of the issuer, whether the issuer is located inside or outside of Illinois.

We are very grateful to State Senator A.J. Wilhelmi and State Representative David Miller for sponsoring and shepherding through the legislature a solution to this issue in the form of- House Committee Amendment 1 to SB 3776 ("SB 3776" Wilhelmi-Trotter-Kotowski-Hunter-Dillard-Althoff; Miller-Jakobsson). The IFA extends its thanks, as well, to the other 54 State Senators and 113 State Representatives who voted for the bill.

SB 3776 passed the Illinois House on November 29, 2010 and passed the Illinois Senate on December 1, 2010. SB 3776 provides an additional layer of accountability and transparency, through Governor's approval of the host TEFRA process (Tax Equity and Fiscal Responsibility Act of 1982; Section 147(f) of the IRS Code), when an issuer of conduit debt without jurisdiction over the location of a project seeks to issue conduit debt in Illinois. SB 3776 will be sent to Governor Quinn for consideration.

Conclusion

In 2011, I look forward to working with all of you to retain and create jobs for Illinois.

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
November 30, 2010

	Actual November 2010	Budget November 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	72,791	100,903	(28,112)	-27.86%	463,826	419,456	44,370	10.58%	1,146,121	40.47%
INVESTMENT INTEREST & GAIN(LOSS)	4,872	1,709	3,163	185.06%	26,731	8,545	18,186	212.82%	20,500	130.39%
ADMINISTRATIONS & APPLICATION FEES	385,254	286,482	98,772	34.48%	2,594,776	1,542,511	1,052,265	68.22%	3,569,338	72.70%
ANNUAL ISSUANCE & LOAN FEES	35,489	46,342	(10,852)	-23.42%	260,389	236,703	23,686	10.01%	582,892	44.67%
OTHER INCOME	9,975	6,878	3,097	45.03%	103,103	34,390	68,713	199.80%	82,537	100.00%
TOTAL REVENUE	508,382	442,314	66,068	14.94%	3,448,824	2,241,605	1,207,219	53.86%	5,401,388	63.85%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	140,300	187,266	(46,966)	-25.08%	830,241	925,574	(95,333)	-10.30%	2,354,798	35.26%
BENEFITS	17,591	23,036	(5,445)	-23.64%	97,866	114,132	(16,266)	-14.25%	286,314	34.18%
TEMPORARY HELP	-	417	(417)	-100.00%	967	2,085	(1,118)	-53.61%	5,000	19.34%
EDUCATION & DEVELOPMENT	445	1,667	(1,222)	-73.30%	3,113	8,333	(5,220)	-62.64%	20,000	15.57%
TRAVEL & AUTO	6,471	6,250	221	3.54%	19,446	31,250	(11,804)	-37.77%	75,000	25.93%
TOTAL EMPLOYEE RELATED EXPENSES	164,808	218,636	(53,828)	-24.62%	951,633	1,081,374	(129,741)	-12.00%	2,741,112	34.72%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	20,887	20,833	54	0.26%	104,743	104,167	577	0.55%	250,000	41.90%
LOAN EXPENSE & BANK FEE	8,903	10,875	(1,972)	-18.14%	50,062	54,375	(4,313)	-7.93%	130,500	38.36%
ACCOUNTING & AUDITING	27,418	26,326	1,092	4.15%	139,378	131,630	7,748	5.89%	315,904	44.12%
MARKETING GENERAL	69	2,083	(2,014)	-96.69%	12,248	10,415	1,833	17.60%	25,000	48.99%
FINANCIAL ADVISORY	23,750	31,250	(7,500)	-24.00%	118,750	156,250	(37,500)	-24.00%	375,000	31.67%
CONFERENCE/TRAINING	1,506	1,667	(161)	-9.64%	1,529	8,335	(6,806)	-81.66%	20,000	7.64%
MISC. PROFESSIONAL SERVICES	17,142	15,375	1,767	11.49%	83,943	76,875	7,068	9.19%	184,500	45.50%
DATA PROCESSING	2,135	4,583	(2,448)	-53.42%	15,067	22,915	(7,848)	-34.25%	55,000	27.39%
TOTAL PROFESSIONAL SERVICES	101,809	112,992	(11,183)	-9.90%	525,719	564,962	(39,242)	-6.95%	1,355,904	38.77%

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

	Actual November 2010	Budget November 2010	Current Month Variance Actual vs. Budget	Current % Variance	Actual YTD FY 2011	Budget YTD FY 2011	Year to Date Variance Actual vs. Budget	YTD % Variance	Total Budget FY 2011	% of Budget Expended
OCCUPANCY COSTS										
OFFICE RENT	22,420	22,840	(420)	-1.84%	111,642	114,200	(2,558)	-2.24%	274,076	40.73%
EQUIPMENT RENTAL AND PURCHASES	1,964	1,700	264	15.55%	9,507	8,500	1,007	11.85%	20,400	46.60%
TELECOMMUNICATIONS	2,863	5,050	(2,187)	-43.31%	17,989	25,250	(7,261)	-28.75%	60,600	29.69%
UTILITIES	806	917	(111)	-12.07%	4,859	4,585	274	5.98%	11,000	44.17%
DEPRECIATION	2,439	4,109	(1,670)	-40.64%	12,533	20,545	(8,012)	-39.00%	49,305	25.42%
INSURANCE	1,929	1,900	29	1.54%	9,646	9,500	146	1.54%	22,800	42.31%
TOTAL OCCUPANCY COSTS	32,422	36,516	(4,094)	-11.21%	166,176	182,580	(16,404)	-8.98%	438,181	37.92%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,017	4,458	(2,441)	-54.76%	14,158	22,290	(8,132)	-36.48%	53,500	26.46%
BOARD MEETING - EXPENSES	2,044	3,000	(956)	-31.88%	12,360	15,000	(2,640)	-17.60%	36,000	34.33%
PRINTING	947	542	405	74.75%	2,957	2,708	249	9.18%	6,500	45.49%
POSTAGE & FREIGHT	2,055	1,250	805	64.40%	6,663	6,250	413	6.60%	15,000	44.42%
MEMBERSHIP, DUES & CONTRIBUTIONS	14,011	2,708	11,303	417.38%	18,196	13,540	4,656	34.39%	32,500	55.99%
PUBLICATIONS	58	250	(192)	-76.98%	930	1,250	(320)	-25.64%	3,000	30.99%
OFFICERS & DIRECTORS INSURANCE	15,619	15,833	(214)	-1.35%	84,604	79,165	5,439	6.87%	190,000	44.53%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	36,749	28,041	8,709	31.06%	139,867	140,203	(336)	-0.24%	336,500	41.57%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	450,568	125,000	325,568	260.45%	300,000	150.19%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	360,788	421,185	(60,396)	-14.34%	2,233,964	2,094,119	139,845	6.68%	5,171,697	43.20%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	147,594	21,129	126,465	598.53%	1,214,860	147,486	1,067,375	723.71%	229,691	528.91%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	18,648	-	18,648	0.00%	18,648	-	18,648	0.00%	-	-
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	166,242	21,129	145,113	686.79%	1,233,508	147,486	1,086,023	736.36%	229,691	537.03%

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

	Actual November 2010	Actual November 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
REVENUE								
INTEREST ON LOANS	72,791	94,431	(21,640)	-22.92%	463,826	497,241	(33,416)	-6.72%
INVESTMENT INTEREST & GAIN(LOSS)	4,872	3,142	1,729	55.03%	26,731	19,921	6,809	34.18%
ADMINISTRATIONS & APPLICATION FEES	385,254	260,780	124,474	47.73%	2,594,776	2,032,318	562,458	27.68%
ANNUAL ISSUANCE & LOAN FEES	35,489	45,143	(9,654)	-21.39%	260,389	451,837	(191,448)	-42.37%
OTHER INCOME	9,975	7,701	2,274	29.54%	103,103	104,792	(1,689)	-1.61%
TOTAL REVENUE	508,382	411,198	97,184	23.63%	3,448,824	3,106,109	342,716	11.03%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	140,300	212,655	(72,355)	-34.02%	830,241	1,167,808	(337,567)	-28.91%
BENEFITS	17,591	18,791	(1,200)	-6.38%	97,866	110,107	(12,242)	-11.12%
TEMPORARY HELP	-	2,423	(2,423)	-100.00%	967	13,833	(12,866)	-93.01%
EDUCATION & DEVELOPMENT	445	-	445	0.00%	3,113	11,035	(7,922)	-71.79%
TRAVEL & AUTO	6,471	4,212	2,260	53.65%	19,446	21,793	(2,347)	-10.77%
TOTAL EMPLOYEE RELATED EXPENSES	164,808	238,080	(73,272)	-30.78%	951,633	1,324,576	(372,943)	-28.16%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	20,887	15,875	5,012	31.57%	104,743	79,629	25,114	31.54%
LOAN EXPENSE & BANK FEE	8,903	9,147	(244)	-2.67%	50,062	47,693	2,369	4.97%
ACCOUNTING & AUDITING	27,418	22,805	4,613	20.23%	139,378	117,872	21,506	18.24%
MARKETING GENERAL	69	2,327	(2,258)	-97.04%	12,248	2,928	9,320	318.35%
FINANCIAL ADVISORY	23,750	18,333	5,417	29.55%	118,750	91,665	27,085	29.55%
CONFERENCE/TRAINING	1,506	895	611	0.00%	1,529	3,718	(2,190)	-58.89%
MISC. PROFESSIONAL SERVICES	17,142	2,488	14,655	0.00%	83,943	19,900	64,043	0.00%
DATA PROCESSING	2,135	6,563	(4,428)	-67.47%	15,067	20,279	(5,212)	-25.70%
TOTAL PROFESSIONAL SERVICES	101,809	78,432	23,377	29.81%	525,719	383,684	142,035	37.02%

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

	Actual November 2010	Actual November 2009	Current Month Variance Actual vs. Actual	Current % Variance	Actual YTD FY 2011	Actual YTD FY 2010	Year to Date Variance Actual vs. Actual	YTD % Variance
OCCUPANCY COSTS								
OFFICE RENT	22,420	22,470	(50)	-0.22%	111,642	111,914	(271)	-0.24%
EQUIPMENT RENTAL AND PURCHASES	1,964	996	968	97.13%	9,507	16,201	(6,693)	-41.32%
TELECOMMUNICATIONS	2,863	4,921	(2,058)	-41.82%	17,989	25,153	(7,164)	-28.48%
UTILITIES	806	935	(129)	-13.75%	4,859	4,893	(34)	-0.70%
DEPRECIATION	2,439	4,949	(2,510)	-50.71%	12,533	25,739	(13,206)	-51.31%
INSURANCE	1,929	1,951	(22)	-1.13%	9,646	9,666	(20)	-0.21%
TOTAL OCCUPANCY COSTS	32,422	36,222	(3,800)	-10.49%	166,176	193,566	(27,389)	-14.15%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	2,017	1,540	477	30.96%	14,158	16,457	(2,299)	-13.97%
BOARD MEETING - EXPENSES	2,044	3,260	(1,216)	-37.31%	12,360	14,219	(1,859)	-13.08%
PRINTING	947	-	947	#DIV/0!	2,957	2,247	710	31.59%
POSTAGE & FREIGHT	2,055	1,212	843	69.55%	6,663	5,977	686	11.48%
MEMBERSHIP, DUES & CONTRIBUTIONS	14,011	2,097	11,914	568.13%	18,196	8,798	9,398	106.81%
PUBLICATIONS	58	414	(357)	-86.11%	930	720	209	29.09%
OFFICERS & DIRECTORS INSURANCE	15,619	15,619	-	0.00%	84,604	78,154	6,450	8.25%
MISCELLANEOUS	-	-	-	-	-	-	-	-
TOTAL GENL & ADMIN EXPENSES	36,749	24,142	12,607	52.22%	139,867	126,573	13,294	10.50%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	450,568	125,000	325,568	260.45%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	360,788	401,876	(41,088)	-10.22%	2,233,964	2,153,399	80,565	3.74%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	147,594	9,322	138,272	1483.26%	1,214,860	952,710	262,150	27.52%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	18,648	9,324	9,324	0.00%	18,648	41,262	(22,614)	-54.81%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	166,242	18,646	147,596	791.56%	1,233,508	993,972	239,536	24.10%

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Five Months Ending November 30, 2010

		Actual Novemver 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$	24,995,626
RECEIVABLES, NET		66,454
LOAN RECEIVABLE, NET		17,066,504
OTHER RECEIVABLES		182,666
PREPAID EXPENSES		131,393
TOTAL CURRENT ASSETS		42,442,643
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION		52,613
DEFERRED ISSUANCE COSTS		331,937
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES		1,581,378
OTHER		(16,036)
TOTAL OTHER ASSETS		1,565,342
TOTAL ASSETS	$	44,392,535
LIABILITIES		
CURRENT LIABILITIES	$	1,833,444
LONG-TERM LIABILITIES		483,176
TOTAL LIABILITIES		2,316,620
EQUITY		
CONTRIBUTED CAPITAL		4,111,479
RETAINED EARNINGS		24,759,630
NET INCOME / (LOSS)		1,233,508
RESERVED/RESTRICTED FUND BALANCE		1,732,164
UNRESERVED FUND BALANCE		10,239,134
TOTAL EQUITY		42,075,915
TOTAL LIABILITIES & EQUITY	$	44,392,535

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Five Months Ending November 30, 2010

	Actual November 2009	Actual November 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 30,408,480	$ 38,524,560
RECEIVABLES, NET	194,844	66,454
LOAN RECEIVABLE, NET	47,830,025	38,751,494
NOTES RECEIVABLE	46,076,074	45,134,874
OTHER RECEIVABLES	848,916	1,228,321
PREPAID EXPENSES	142,397	131,393
TOTAL CURRENT ASSETS	125,500,736	123,837,096
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	72,945	52,613
DEFERRED ISSUANCE COSTS	538,208	450,381
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	37,419,457	41,613,554
VENTURE CAPITAL INVESTMENTS	5,377,739	2,512,917
OTHER	3,000,000	3,000,000
TOTAL OTHER ASSETS	45,797,196	47,126,471
TOTAL ASSETS	$ 171,909,085	$ 171,466,561
LIABILITIES		
CURRENT LIABILITIES	1,108,928	1,965,894
BONDS PABYABLE	55,010,000	54,345,000
OTHER LIABILITIES	1,575,295	1,894,002
TOTAL LIABILITIES	57,694,223	58,204,896
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	27,173,957	26,271,034
NET INCOME / (LOSS)	1,312,849	982,444
RESERVED/RESTRICTED FUND BALANCE	37,471,193	37,751,324
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	114,214,862	113,261,665
TOTAL LIABILITIES & EQUITY	$ 171,909,085	$ 171,466,561

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

Item Number	Description	Percentage Completed
		10 20 30 40 50 60 70 80 95 100
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 November 30, 2010

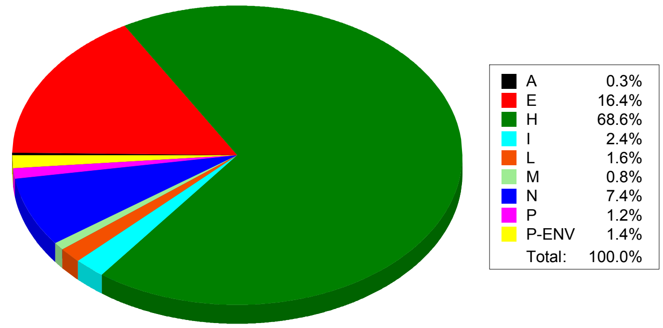
Bonds Issued Since Inception of Illinois Finance Authority

#	Market Sector	Principal Amount ($)
309	Agriculture **	59,984,163
97	Education	3,806,258,100
322	Healthcare *	15,955,538,508
76	Industrial	686,080,669
27	Local Government	378,145,000
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
		$ 23,373,152,535

* Includes CCRC's

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

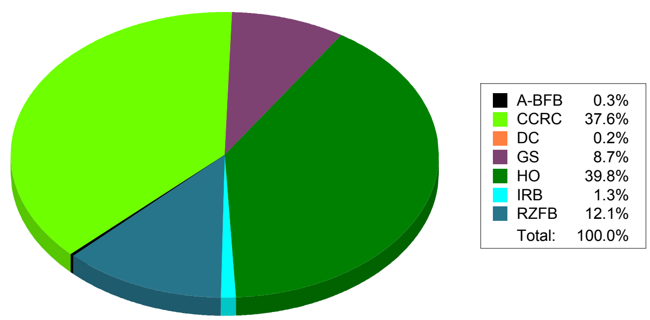
Bonds Issued Since Inception



Current Fiscal Year

#	Market Sector	Principal Issued
16	Agriculture - Beginner Farmer	3,399,951
1	Financially Distressed Cities	1,985,000
2	Gas Supply	100,000,000
9	Healthcare - Hospital	457,320,000
15	Healthcare - CCRC	432,455,000
2	Industrial Revenue	14,370,000
2	Recovery Zone Facilities Bonds	139,585,000
		$ 1,149,114,951

Bonds Issued - Current Fiscal Year

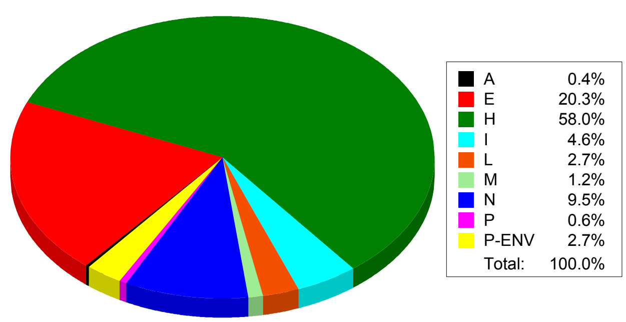


Schedule of Bonds Outstanding by Market Sector
Includes IFA and it's Predecessor Authorities

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	298,453,869	91,752,395
Education	5,527,345,730	5,087,993,810
Healthcare	16,469,497,337	14,523,683,128
Industrial	1,348,710,669	1,149,353,167
Local Government	1,135,309,413	668,059,169
Multifamily/Senior Housing	742,915,396	305,500,425
501(c)(3) Not-for Profits	2,869,824,996	2,376,112,952
Exempt Facilities Bonds	155,360,000	155,360,000
Environmental issued under 20 ILCS 3515/9	770,475,000	673,812,836
	$ 29,317,892,410	$ 25,031,627,881

* Includes CCRC's

Principal Outstanding by Market Sector



Bonds Issued between July 01, 2010 and November 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	3,399,951	0
HO	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
HO	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
RZFB	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
HO	Provena Health, Series 2010C&D	09/22/2010	VRB 0.29%	72,000,000	0
GS	Peoples Gas Light and Coke Company, Series 2010B	10/05/2010	2.625%	50,000,000	50,000,000
IRB	Fabrication Technologies, Inc., Series 2010	10/15/2010	DP-VRB	5,140,000	0
HO	Little Company of Mary Hospital, Series 2010	10/20/2010	5.25% to 5.50%	72,000,000	0
HO	Beloit Health System, Series 2010	10/21/2010	VRB	37,895,000	40,325,000
RZFB	Navistar International Corporation, Series 2010	10/26/2010	6.50%	135,000,000	0
DC	City of East St. Louis, Series 2010	10/26/2010	3.00%	1,985,000	1,650,000
HO	Swedish Covenant Hospital, Series 2010	11/03/2010	DP 4.99%	20,000,000	0
HO	University of Chicago Medical Center, Series 2010A&B	11/09/2010	VRB 0.24%	92,500,000	0
CCRC	Admiral at the Lake, Series 2010A-E	11/19/2010	7.25% to 8.00%	202,350,000	0
		Total Bonds Issued in Fiscal Year 2011		**$ 1,149,114,951**	**$ 312,555,000**

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
Justison, Keri L.	07/30/2010	4.25%	249,736	106.00	Montgomery
Justison, David M.	07/30/2010	4.25%	249,736	106.00	Montgomery
Will, Richard & Linda	07/30/2010	4.00%	206,712	71.30	Cumberland
Smithenry, Eric J.	07/30/2010	4.25%	135,000	20.00	Jasper
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
Mellendorf, Mark	09/21/2010	4.25%	25,200	20.00	Clay
Gittleson, Brock	09/21/2010	4.46%	207,500	50.00	Lee
Fritschle, Derek	10/07/2010	4.00%	125,000	78.00	Richland
Stahl, Rodney Lynn	10/25/2010	4.00%	122,500	50.00	Stark
Stahl, Kendall	10/25/2010	4.50%	137,500	50.00	Stark
Rosenthal, Darin T.	10/29/2010	4.00%	250,000	80.00	Montgomery
Richter, Brett Alan	11/05/2010	2.76%	120,000	46.00	Clinton
Stephens, Douglas & Cindy	11/05/2010	3.50%	240,000	60.00	Livingston
Stephens, Derek & Brynn	11/05/2010	3.50%	240,000	60.00	Livingston
Truckenbrod, Steven	11/18/2010	5.25%	104,000	40.00	Ogle
Elliott, Lee Wayne & Latisha	11/30/2010	4.25%	112,000	80.00	Jasper
	Total Beginner Farmer Bonds Issued		**$ 3,399,951**	**1,217.40**	

AG Farm Purchase Guarantee	Date Funded	Initial Interest Rate	Loan Proceeds	State Guarantee
Kerber, Gregory & Jan	10/28/2010	5.85%	500,000	425,000
	Total AG Farm Purchase Guarantee		**$ 500,000**	**$ 425,000**

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 November 30, 2010	Program Limitations	Remaining Capacity
Illinois Finance Authority "IFA"					
296	Agriculture	$ 46,455,000	$ 49,698,000		
88	Education	3,721,552,000	3,693,050,000		
223	Healthcare	10,851,968,000	11,615,848,000		
66	Industrial Development [includes Recovery Zone]	345,870,000	593,813,000		
22	Local Government	264,060,000	261,020,000		
18	Multifamily/Senior Housing	157,979,000	159,032,000		
94	501(c)(3) Not-for Profits	1,313,239,000	1,294,864,000		
5	Exempt Facilities Bonds	130,500,000	130,500,000		
812	**Total IFA Principal Outstanding**	**$ 16,831,623,000**	**$ 17,797,825,000**		
Illinois Development Finance Authority "IDFA" [b]					
4	Education	42,196,000	41,506,000		
6	Healthcare	404,660,000	219,360,000		
73	Industrial Development	562,917,000	555,540,000		
35	Local Government	386,034,000	378,934,000		
16	Multifamily/Senior Housing	147,219,000	146,469,000		
103	501(c)(3) Not-for Profits	1,025,002,000	1,006,704,000		
1	Exempt Facilities Bonds	24,860,000	24,860,000		
234	**Total IDFA Principal Outstanding**	**$ 2,592,888,000**	**$ 2,373,373,000**		
Illinois Rural Bond Bank "IRBB" [b]					
17	Bond Bank Revenue Bonds	26,385,000	25,715,000		
1	Conduit Debt	2,390,000	2,390,000		
18	**Total IRBB Principal Outstanding**	**$ 28,775,000**	**$ 28,105,000**		
104	**Illinois Health Facilities Authority "IHFA"**	**$ 2,908,471,000**	**$ 2,688,476,000**		
49	**Illinois Educational Facilities Authority "IEFA"**	**$ 1,446,134,000**	**$ 1,427,982,000**		
561	**Illinois Farm Development Authority "IFDA"** [f]	**$ 42,055,000**	**$ 42,055,000**		
1,778	**Total Illinois Finance Authority Debt**	**$ 23,849,946,000**	**$ 24,357,816,000**	**$ 28,150,000,000**	**$ 3,792,184,000**

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

Section I (b)

		Principal Outstanding June 30, 2010	Principal Outstanding November 30, 2010	Program Limitations	Remaining Capacity
General Purpose Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]					
17	Issued through IRBB - Local Government Pools	$ 26,385,000	$ 25,715,000		
7	Issued through IFA - Local Government Pools	28,000,000	28,000,000		
2	Issued through IFA - Illinois Medical District Commission	40,000,000	39,640,000		
26	**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]					
2	Issued through IFA	$ 2,395,000	$ 3,825,000		
1	Issued through IDFA	4,660,000	3,565,000		
3	**Total Financially Distressed Cities**	**$ 7,055,000**	**$ 7,390,000**	**$ 50,000,000**	**$ 42,610,000**
State Component Unit Bonds [c]					
17	Issued through IRBB	$ 26,385,000	$ 25,715,000		
1	Issued through IDFA	14,580,000	14,580,000		
1	Issued through IFA	4,863,000	4,233,000		
19	**Total State Component Unit Bonds**	**$ 45,828,000**	**$ 44,528,000**		

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

Section I (c)

	Principal Outstanding June 30, 2010	Principal Outstanding November 30, 2010	Program Limitations	Remaining Capacity
Midwest Disaster Bonds [Flood Relief]	**$ -**	**$ -**	**$ 1,515,271,000**	**$ 1,515,271,000**

Designated by the Governor of the State of Illinois to manage and coordinate the re-allocation of Federal ARRA Volume Cap and the issuance of Recovery Zone Bonds in the State of Illinois to fully utilize RZBs before December 31, 2010.

Section I (d)

	ARRA Act of 2009 Volume Cap Allocated [h]	City/Counties Ceded Voluntarily to IFA	Bonds Issued as of November 30, 2010	Available "Ceded" Volume Cap
Recovery Zone Economic Development Bonds;	**$ 666,972,000**	**$ 16,940,000**	**$ 12,900,000**	**$ 4,040,000**
Recovery Zone Facilities Bonds	**$ 1,000,457,000**	**$ 247,413,000**	**$ 139,585,000**	**$ 107,828,000**
Qualified Energy Conservation Bonds	**$ 133,846,000**	**$ -**	**$ -**	**$ -**

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

Section II

	Principal Outstanding June 30, 2010	Principal Outstanding November 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 Section 825-65(f); 825-70 and 825-75] - see also P.A. 96-103 effective 01/01/2010

Section III		Principal Outstanding June 30, 2010	Principal Outstanding November 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 November 30, 2010	Program Limitations	Remaining Capacity	State Exposure
	Agri Debt Guarantees [Restructuring Existing Debt]	**$ 20,300,000**	**$ 7,400,000**	**$ 160,000,000**	**$ 152,600,000**	**$ 6,290,000**
97	**Fund # 994 - Fund Balance $ 9,940,751**					
	AG Loan Guarantee Program	**$ 47,229,000**	**$ 56,116,000**	**$ 225,000,000** [e]	**$ 168,884,000**	**$ 41,920,000**
55	**Fund # 205 - Fund Balance $ 7,651,586**					
12	Agri Industry Loan Guarantee Program	$ 11,104,000	$ 7,643,000			6,497,000
1	Renewable Fuels	24,445,000	10,792,000			9,174,000
2	Farm Purchase Guarantee Program	491,000	2,461,000			2,092,000
29	Specialized Livestock Guarantee Program	8,625,000	11,451,000			9,693,000
11	Young Farmer Loan Guarantee Program	2,564,000	23,769,000			14,464,000
152	**Total State Guarantees**	**$ 67,529,000**	**$ 63,516,000**	**$ 385,000,000**	**$ 321,484,000**	**$ 48,210,000**

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 November 30, 2010	Appropriation Fiscal Year 2011	Fund Balance
116	Fire Truck Revolving Loan Program	**Fund # 572**	$ 18,730,135	$ 17,515,298	$ 6,003,342	$ 2,485,122
10	Ambulance Revolving Loan Program	**Fund # 334**	$ 993,200	$ 832,213	$ 7,006,800	$ 3,302,590

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 November 30, 2010	Program Limitations	Remaining Capacity
	Environmental [Large Business]				
9	Issued through IFA	316,440,000	$ 316,238,000		
20	Issued through IDFA	372,065,000	357,575,000		
29	**Total Environmental [Large Business]**	**$ 688,505,000**	**$ 673,813,000**	**$ 2,425,000,000**	**$ 1,751,187,000**
	Environmental [Small Business]	-	$ -	**$ 75,000,000**	**$ 75,000,000**
29	**Total Environment Bonds Issued under Act**	**$ 688,505,000**	**$ 673,813,000**	**$ 2,500,000,000**	**$ 1,826,187,000**

Illinois Finance Authority Funds at Risk

Section VII #		Original Amount	Principal Outstanding June 30, 2010	Principal Outstanding November 30, 2010
	Participation Loans			
55	Business & Industry	23,020,157.95	17,018,322.85	14,957,098.83
22	Agriculture	6,079,859.01	4,969,295.79	4,681,966.88
77	**Participation Loans exluding Defaults & Allowances**	**$ 29,100,016.96**	**$ 21,987,618.64**	**$ 19,639,065.71**
	Plus: Legacy IDFA Loans in Default			1,143,112.67
	Less: Allowance for Doubtful Accounts			3,715,674.81
			Total Participation Loans	**$ 17,066,503.57**
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**	**$ 297,526.74**
5	**FmHA Loans**	**$ 963,250.00**	**$ 580,213.44**	**$ 345,458.85**
2	**Renewable Energy [RED Fund]**	**$ 2,000,000.00**	**$ 1,819,903.95**	**$ 1,719,655.10**
89	**Total Loans Outstanding**	**$ 34,353,016.96**	**$ 27,168,891.01**	**$ 20,429,144.26**

[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.

[h] Recovery Zone Bonds - Federal government allocated volume cap directly to all 102 Illinois counties and 8 municipalities with population of 100,000 or more. [Public Act 96-1020]

[i] IFA is working with all of the 110 entities to encourage voluntary waivers to ensure that these resources are used to support project financing before the program expires on December 31, 2010.

MINUTES OF THE NOVEMBER 9, 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 November 9, 2010, at the Chicago Office of the IFA at 180 North Stetson, Suite 2555, Chicago, IL 60601.

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

Call to Order

Chairman Brandt called the meeting to order at 8:39 a.m. with the above members present. He welcomed Members of the Board, IFA staff and guests present at the meeting.

Chairman's Remarks

Chairman Brandt began by speaking about the Navistar transaction. He said he was honored to be on the dais at the Navistar transaction. The Chairman explained that the IFA has been successfully receiving Recovery Zone Bond allocation from Counties and major Cities throughout the State.

The Chairman stated the IFA has a good working relationship with Counties and Cities throughout the State. As an example, DuPage County Board Chairman Robert Schillerstrom is planning to speak at the Board Meeting at 11:30 a.m., expressing gratitude for the IFA's assistance for the successful Navistar financing.

Chairman Brandt hopes that if this program is extended beyond December 31, 2010, the federal government will enact legislation allocating Recovery Zone Bond volume cap directly to the Illinois Finance Authority and other state and regional authorities, making the process more efficient.

Chairman Brandt explained that the IFA has lost some key employees. Mr. O'Brien suggested looking towards the Compensation Committee and seeing if the IFA can change a few practices. Chairman Brandt then assigned Ms. Gila Bronner to the Compensation Committee.

Chairman Brandt discussed briefly a hog farm loan default and the subsequent placement of the IFA as third in line on the forbearance agreement. Chairman Brandt then asked for the Executive Director's message.

Executive Director's Presentation

Director Meister thanked the Chairman and began his presentation. Director Meister began by noting that the IFA may soon have over $100,000,000 in volume cap under the Recovery Zone Bond programs. The Director explained that there is some willingness on the part of Cook County to waive their unused volume cap to the IFA. Furthermore, one of the items on agenda for the Board Meeting will empower the Executive Director of the IFA to reallocate the remaining volume cap to Counties and major Cities throughout the State, on an 'as-needed basis' to assure maximum use of Recovery Zone Bonds by December 31, 2010, when the program is set to expire under Federal law.

Director Meister then introduced the IFA staff to the newer Board Members. He explained that both Ms. Lenane and Mr. Frampton had developed a great relationship with local and statewide hospital systems, higher education and cultural institutions, manufacturing companies, and water and gas utility companies. The CenterPoint transaction on today's agenda, the Director said, was in a three year development period since being considered for a Preliminary Bond Resolution in 2007.

Director Meister then explained that the energy efficiency program has come to fruition. It is a program with state backed credit enhancement which is different than conventional borrowing.

Director Meister concluded his report by congratulating Mr. Reed on his new position at an agricultural bank. He also thanked Mr. Govia for his work in healthcare and wished him luck at the Washington Health Care Facilities Authority.

Director Meister reported news of an out-of-state entity claiming to be a "national issuer" of conduit debt. Unlike the IFA, Illinois regional development authorities, Counties and municipalities, all of which are accountable to the citizens of the State of Illinois and elected representatives, there are questions whether such an entity has requisite accountability and transparency to citizens of the State. The Director said the IFA acts as a "gatekeeper" in providing bonding authority for borrowers, while a "national issuer" entity raises questions of accountability, transparency and questions under Federal law. The Director explained that the IFA may discuss this issue with the Illinois Attorney General.

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

Senior Staff Reports

Chairman Brandt asked Ms. Granda for her report.

Ms. Granda presented the financials. She explained that the gross revenue year-to-date for October was $2.940 Million or $1.141 Million over budget. Total operating expenses were $1.873 Million or $200,241 over budget. This is primarily due to the adjustment on the Loan Loss Provision made last month. Year-to-date net income for the month of October was $1.067 Million or $940,910 higher than budget and $350,258 higher than the same period last fiscal year. Ms. Granda said that the fieldwork for the audit of the IFA is scheduled to end November 12.

Chairman Brandt then initiated a discussion about the effectiveness of the Recovery Zone Facility Bond Program and the IFA's role in implementing the program. Chairman Brandt then asked Mr. Frampton for his report.

Mr. Frampton presented his report. Mr. Frampton said that the Authority has for years worked with Home-Rule Units to aggregate Private Activity Bond Volume Cap to support Industrial Development Bond and Exempt Facilities Revenue Bond Financings. The strategy IFA developed to aggregate unused Recovery Zone Facility Bond volume cap allocations adapted successful practices previously developed to attain the same purpose with Private Activity Bond Volume Cap.

Director Meister noted that the Recovery Zone Bond Program expires under Federal law on December 31, 2010. IFA has requested unused allocations from Counties and major Cities to secure maximum utilization of this tool to create jobs in the State of Illinois. If the IFA finds a project to make use of the collected allocation by the end of the year, the Counties and Cities ceding allocation will receive fifteen basis points, which will be paid by the borrower. If no such projects are found, the Counties and Cities ceding allocation will receive compensation from the Authority for transferring their allocation.

Chairman Brandt reconfirmed the IFA's plan to speak to legislators in Springfield, Illinois and Washington, D.C. about extending the Recovery Zone Bond program.

Chairman Brandt thanked Mr. Frampton for his report and asked Mr. Reed for his report.

Mr. Reed's report focused on explaining the Guaranteed Loan Watch List. Mr. Reed explained that the first loan through Community State Bank of Rock Falls would be paid off. The second loan through Castle Bank-Sandwich is in a phase where the bank is considering selling some of the borrower's equipment to lower the principal on the loan. The third loan, originating through Flanagan State Bank—El Paso has never had a payment on the principal since Mr. Reed arrived at the Authority six years ago. The Bank is considering selling the property. The fourth loan, through Litchfield National Bank, is in default. The borrower has filed for bankruptcy and the IFA is challenging the actions of the Borrower.

Chairman Brandt thanked Mr. Reed and asked Mr. Senica for his report.

Mr. Senica's report focused on the Participation Loans on the Watch List. Mr. Senica explained that for the Participation Loan originating through First Security Bank of Mackinaw, he has seen the property and it is in good condition. Although it would ordinarily sell well, commercial real estate transaction volume continues to be slow. Mr. Senica presented an update on Precision Laser. The Precision Laser loan originated through Morton Community Bank. The Borrower is attempting to obtain more customers but has been unable to replace sales volume lost from Caterpillar. The IFA Board approved a 6-month payment moratorium for Precision Laser in 2009. Morton Community Bank is working with Precision laser to recapitalize the Company and has requested IFA to subordinate the Authority's second mortgage on the building so that the Bank can extend additional liquidity support. Mr. Senica advised the Bank that this would be an unacceptable term and was reiterating to the Board that he would not recommend approval of such a term from the Board. Mr. Senica will prepare and execute a letter to the IFA Executive Director to formalize his recommendation.

Chairman Brandt thanked Mr. Senica and asked Mr. Cournane for his report.

Mr. Cournane finished explaining the list of Participation Loans on the Watch List by explaining the current status of ShoreBank's loan to Midway Broadcasting Company. Mr. Cournane stated that the FDIC has taken control of ShoreBank and Urban Partnership Bank, as successor in interest to ShoreBank has agreed to accept service of process. Urban Partnership Bank has also agreed to talk to us regarding the lawsuit and would like to see if they can reach a settlement.

Chairman Brandt thanked Mr. Cournane and asked for the Committee Reports.

Committee Reports

Chairman Brandt asked Mr. Leonard for the Agriculture Committee report.

Mr. Leonard explained that the Agriculture Committee's meeting was very brief and there was short discussion on two Beginner Farmer Bonds. Mr. Leonard thanked Mr. Reed on behalf of the Agriculture Committee for his service.

Chairman Brandt thanked Mr. Leonard and asked Dr. Barclay for his report.

Dr. Barclay explained the Healthcare Committee also met briefly to discuss a few items. Dr. Barclay made note of the fact that the IFA is pleased to have Roseland Community Hospital on the agenda. Roseland plays a crucial role with underserved and at-risk populations. The transaction is also being co-managed by a minority-owned underwriting firm.

Chairman Brandt thanked Dr. Barclay and asked for the project reports.

Project Reports

Agriculture

Mr. Reed presented the following projects for approval:

No. 1A: Lee Wayne & Latisha Leann Elliott - $112,000 – 80 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed $112,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Jasper County, near Montrose, IL.

No. 1B: Rodney D. & Candy Godbee, - $380,000 – 80 acres

Request approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed $380,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Livingston County, near Kempton, IL.

Business and Industry

Mr. Frampton presented the following projects for approval:

No. 2 Mayo Properties LLC (Moran Transportation Corporation Project) – $4,100,000 – Preliminary

Mayo Properties LLC (Moran Transportation Corporation Project) is requesting the approval of a Preliminary Bond Resolution in an amount not-to-exceed $4,100,000 to enable Moran Transportation Corporation to (i) acquire land and a building located at 2391-2425 Arthur Ave., Elk Grove Village (Cook County), IL 60007; (ii) acquire equipment for use therein to be used in the Moran's warehousing, logistics, and trucking operations; and (iii) pay costs of issuance.

No. 3 BPJ Investments LLC (Neuco, Inc. Project) – $3,000,000 – Final

BPJ Investments LLC (Neuco, Inc. Project) is requesting approval of a Final Bond Resolution in an amount not-to-exceed $3,000,000 to enable Neuco, Inc. (the "Company") to (i) expand its existing Downers Grove office/warehouse/distribution facility by constructing and equipping an approximately 18,000 square foot addition to the Company's existing 37,000 square foot facility located at 5101 Thatcher Road, Downers Grove (DuPage County), Illinois; (ii) pay capitalized interest; and (iii) pay costs of issuance.

No. 4 CenterPoint Joliet Terminal Railroad, LLC (CenterPoint Intermodal Center – Joliet Project) - $200,000,000 – Final

CenterPoint Joliet Terminal Railroad, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed $200,000,000. The proposed project will enable CenterPoint Joliet Terminal Railroad, LLC to (i) acquire land; and (ii) construct and equip various capital improvements thereon at CenterPoint Intermodal Center in Joliet, Illinois, a rail-to-truck and truck-to-rail Intermodal facility generally located south and east of the Des Plaines River, east of the Burlington Northern Santa Fe Railway, north of Noel Road, and west of both Illinois 53 and the Union Pacific Railroad, and located within the corporate boundaries of the City of Joliet.

Higher Education, Cultural, Non-Healthcare 501(c)(3)

No. 5 East-West University – $35,000,000 – Final

East-West University is requesting approval of a Final Bond Resolution in an amount not-to-exceed $35,000,000. Bond proceeds will be used to (i) construct and equip 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 South Wabash) in Chicago; (ii) renovate and equip East-West's existing buildings located at 816 South Michigan Avenue and 819 South Wabash Avenue in Chicago; (iii) pay capitalized interest on certain portions of the project, if necessary or desirable; and (iv) pay costs of issuance. The new multi-purpose building will include limited ground floor parking, retail shops, 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.

No. 6 DePaul University – $200,000,000 – Final

DePaul University is requesting approval of a Final Bond Resolution in an amount not-to-exceed $200,000,000. Bond proceeds will be used to (i) 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; (iii) finance various other capital improvements at DePaul's Lincoln Park campus in connection with the University's Vision 2012 Project; (iv) finance the buildout of additional space at DePaul's Loop Campus Buildings located at 14 East Jackson Boulevard., 55 East Jackson Boulevard., at its DePaul Center Building at 333 South State; (v) finance various capital improvements at DePaul's O'Hare Campus at 8770 West Bryn Mawr Avenue; (vi) pay capitalized interest during construction; (vii) capitalize certain reserve funds; and (viii) pay costs of issuance, if deemed necessary and desirable by the Borrower.

Healthcare

No. 7 Roseland Community Hospital – $35,000,000 – Preliminary

Roseland Community Hospital is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed $35,000,000. Bond proceeds, together with other available monies, will be used to (i) refund existing debt of Roseland Community Hospital; (ii) construct and renovate an adolescent behavioral center (iii) finance information technology upgrades; and (iv) finance working capital.

No. 8 Smith Crossing - $50,000,000 - Preliminary

Smith Crossing is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed $50,000,000. Proceeds will be used to (i) construct the Phase 2 Expansion consisting of 30 new assisted living units, the conversion of 16 of the existing memory support assisted living units to memory support skilled nursing units, and the construction of 76 new independent living apartments; (ii) fund a portion of capitalized interest; (iii) fund debt service reserve funds and certain other reserves; and (iv) pay costs of issuance.

No. 9 **Proctor Hospital - $17,000,000 – Final**

Proctor Hospital is requesting approval of a Final Bond Resolution in an amount not-to-exceed $17,000,000. Bond proceeds will be used to (i) refund all or a portion of the outstanding IFA Variable Rate Demand Revenue Bonds, Series 2006B; (ii) acquire, construct, renovate remodel and equip certain health facilities owned by the Borrower, and all necessary and attendant facilities, equipment, site work and utilities thereto, including, but not limited to, the acquisition of an EHR system and certain routine capital expenditures; and (iii) to pay costs of issuance.

No. 10 **Silver Cross Health System and Silver Cross Hospital and Medical Center - $25,000,000 - Final**

Silver Cross Health System and Silver Cross Hospital and Medical Center is requesting approval of a Final Bond Resolution in an amount not-to-exceed $25,000,000. Bond proceeds will be used to (i) construct a replacement hospital in New Lenox; (ii) acquire capital equipment at existing campus in Joliet and its new campus in New Lennox; and (iii) pay costs of issuance.

No. 11 **Sarah Bush Lincoln Health Center - $65,000,000 - Final**

Sarah Bush Lincoln Health Center is requesting approval of a Final Bond Resolution in an amount not-to-exceed $65,000,000. Proceeds will be used to (i) refinance existing Illinois Health Facilities Authority Bonds Series 1996 and Series 1996B; (ii) acquire, construct and renovate the Hospital and properties owned by the HealthCenter and other capital expenditures; (iii) finance a debt service reserve fund; and (iv) pay costs of issuance.

Resolutions

Mr. Frampton presented the following Resolution for consideration:

No. 12 **Resolution to Approve an Amended and Restated Bond and Loan Agreement and Related changes regarding IFA Series 2007 501(c)(3) Revenue Bonds (Chicago School of Professional Psychology Project)**

The Chicago School of Professional Psychology (the “Borrower”) is requesting the Illinois Finance Authority (“IFA”) and Capital One Public Funding, LLC (the “Direct Purchaser” and lender to the Borrower on the IFA Series 2007 Bonds) to amend certain provisions of the Bond and Loan Agreement, in order to provide for certain amendments resulting in (i) a lower fixed interest rate on the IFA Series 2007 Bonds (from 4.75% to 4.39% per annum); (ii) a reduced principal amount of the Bonds outstanding (a minimum reduction of $500,000; the original Par Amount was $13,150,000); and (iii) a shortening of the maturity date of the Bonds from October 1, 2027, to March 1, 2026.

Mr. Cournane presented the following Resolutions for consideration:

No. 13 **Resolution Reallocating a Portion of Recovery Zone Economic Development Bond Authority to DuPage County**

A resolution empowering the Executive Director of the Illinois Finance Authority and/or his designees to reallocate a portion of Recovery Zone Economic Development Bonds to DuPage County and ratifying certain actions.

No. 14 Resolution Delegating Reallocation Authority for Recovery Zone Facility Bonds and Recovery Zone Economic Development Bonds to the Executive Director of the Illinois Finance Authority

A resolution empowering the Executive Director of the Illinois Finance Authority and/or his designees to reallocate of Recovery Zone Facility Bond and Recovery Zone Economic Development Bond volume cap to various counties and cities within the jurisdiction of the State of Illinois.

Other Business

Mr. O'Brien noted for the record his request to schedule a meeting of the Compensation Committee and for it to be duly noted under the Open Meetings Act.

Adjournment

The Chairman thanked the Board, IFA staff and the financial advisors for appearing at the meeting and asked if there was any additional information for the Board's consideration. Hearing none he moved to adjourn the meeting. Mr. Zeller seconded the motion. The Committee of the Whole unanimously agreed to adjourn the meeting.

The meeting adjourned at 11:22 a.m.

Respectfully submitted by
Ahad Syed
Administrative Assistant
Assistant Board Secretary

MINUTES OF THE NOVEMBER 9, 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, November 9, 2010, at the Prudential Plaza Conference Center at 130 East Randolph Street, 7th Floor, Chicago, IL 60601.

Members Present:	**Members Absent**:
1. William A. Brandt Jr., Chairman 2. Michael Goetz, Vice Chairman 3. Dr. William Barclay 4. John "Jack" Durburg 5. Norman Gold 6. Edward Leonard 7. Joseph McInerney 8. Terrence O'Brien 9. Heather Parish 10. Roger Poole 11. Bradley A. Zeller	12. Gila Bronner 13. Ronald E. DeNard 14. James J. Fuentes 15. Dr. Roger Herrin **Vacancies**: None

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Chairman Brandt called the meeting to order at 11:38 a.m. with the above Members present. Chairman Brandt welcomed Members of the Board and all guests. He then asked the Assistant Board Secretary, Ahad Syed, to call the roll. There being eleven (11) members physically present, Mr. Syed declared the quorum met.

The Chairman explained that the IFA has been making full use of the Recovery Zone Bonds. The Chairman explained that the IFA may need to call a second Committee of the Whole and Board Meeting for the month of December, if necessary to better facilitate the approval of the numerous projects appearing before the IFA Board.

Chairman Brandt introduced Mr. Robert Schillerstrom, DuPage County Board Chairman, to the Board. Mr. Schillerstrom extended his thanks to the IFA Board for their leadership and for allocating the necessary Recovery Zone Facility Bond volume cap to effect the Navistar transaction, bringing much needed jobs to DuPage County. The Chairman thanked Mr. Schillerstrom for being instrumental in the successful closing of the Navistar transaction.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending October 31, 2010, and Minutes for both the Committee of the Whole and Board of Directors Meetings held on October 12, 2010, were presented to the Board. Chairman Brandt stated that the Authority's Financial Statements and such Minutes were reviewed at the regularly scheduled Committee of the Whole meeting held at 8:30 a.m. Chairman Brandt requested a motion to approve the October 31, 2010, Financial Statements and Minutes from both the Committee of the Whole and Board of Directors Meetings.

The motion was made by Dr. Barclay and seconded by Mr. O'Brien. The October 31, 2010, Financial Statements and Minutes for both the Committee of the Whole and Board of Directors Meetings held on October 12, 2010, 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 Chairman explained that all projects are reviewed 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 discussed 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: Lee Wayne & Latisha Leann Elliott - $112,000 – 80 acres

Request for approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed $112,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Jasper County, near Montrose, IL.

No. 1B: Rodney D. & Candy Godbee, - $380,000 – 80 acres

Request approval of a Final Bond Resolution for the issuance of Beginning Farmer Bonds in an amount not to exceed $380,000 for the purchase of approximately 80 acres of farmland. This project is located in unincorporated Livingston County, near Kempton, IL.

No guests attended with respect to Items Nos. 1A or 1B. Chairman Brandt asked if the Board had any questions with respect to Items Nos. 1A or 1B. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Items Nos. 1A and 1B. Items 1A and 1B received approval with 11 ayes, 0 nays and 0 abstentions.

No. 2 Mayo Properties LLC (Moran Transportation Corporation Project) – $4,100,000 – Preliminary

Mayo Properties LLC (Moran Transportation Corporation Project) is requesting the approval of a Preliminary Bond Resolution in an amount not-to-exceed $4,100,000 to enable Moran Transportation Corporation to (i) acquire land and a building located at 2391-2425 Arthur Ave., Elk Grove Village (Cook County), IL 60007; (ii) acquire equipment for use therein to be used in the Moran's warehousing, logistics, and trucking operations; and (iii) pay costs of issuance.

No. 3 BPJ Investments LLC (Neuco, Inc. Project) – $3,000,000 – Final

BPJ Investments LLC (Neuco, Inc. Project) is requesting approval of a Final Bond Resolution in an amount not-to-exceed $3,000,000 to enable Neuco, Inc. (the "Company") to (i) expand its existing Downers Grove office/warehouse/distribution facility by constructing and equipping an approximately 18,000 square foot addition to the Company's existing 37,000 square foot facility located at 5101 Thatcher Road, Downers Grove (DuPage County), Illinois; (ii) pay capitalized interest; and (iii) pay costs of issuance.

No. 5 **East-West University – $35,000,000 – Final**

East-West University is requesting approval of a Final Bond Resolution in an amount not-to-exceed $35,000,000. Bond proceeds will be used to (i) construct and equip 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 South Wabash) in Chicago; (ii) renovate and equip East-West's existing buildings located at 816 South Michigan Avenue and 819 South Wabash Avenue in Chicago; (iii) pay capitalized interest on certain portions of the project, if necessary or desirable; and (iv) pay costs of issuance. The new multi-purpose building will include limited ground floor parking, retail shops, 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.

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DePaul University is requesting approval of a Final Bond Resolution in an amount not-to-exceed $200,000,000. Bond proceeds will be used to (i) 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; (iii) finance various other capital improvements at DePaul's Lincoln Park campus in connection with the University's Vision 2012 Project; (iv) finance the buildout of additional space at DePaul's Loop Campus Buildings located at 14 East Jackson Boulevard., 55 East Jackson Boulevard., at its DePaul Center Building at 333 South State; (v) finance various capital improvements at DePaul's O'Hare Campus at 8770 West Bryn Mawr Avenue; (vi) pay capitalized interest during construction; (vii) capitalize certain reserve funds; and (viii) pay costs of issuance, if deemed necessary and desirable by the Borrower.

No guests attended with respect to Items Nos. 2, 3, 5 or 6. Chairman Brandt asked if the Board had any questions with respect to Items Nos. 2, 3, 5 or 6. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Items Nos. 2, 3, 5 and 6. Items 2, 3, 5 and 6 received approval with 11 ayes, 0 nays and 0 abstentions.

No. 9 **Proctor Hospital - $17,000,000 – Final**

Proctor Hospital is requesting approval of a Final Bond Resolution in an amount not-to-exceed $17,000,000. Bond proceeds will be used to (i) refund all or a portion of the outstanding IFA Variable Rate Demand Revenue Bonds, Series 2006B; (ii) acquire, construct, renovate remodel and equip certain health facilities owned by the Borrower, and all necessary and attendant facilities, equipment, site work and utilities thereto, including, but not limited to, the acquisition of an EHR system and certain routine capital expenditures; and (iii) to pay costs of issuance.

No. 10 **Silver Cross Health System and Silver Cross Hospital and Medical Center - $25,000,000 - Final**

Silver Cross Health System and Silver Cross Hospital and Medical Center is requesting approval of a Final Bond Resolution in an amount not-to-exceed $25,000,000. Bond proceeds will be used to (i) construct a replacement hospital in New Lenox; (ii) acquire capital equipment at existing campus in Joliet and its new campus in New Lennox; and (iii) pay costs of issuance.

No. 11 **Sarah Bush Lincoln Health Center - $65,000,000 - Final**

Sarah Bush Lincoln Health Center is requesting approval of a Final Bond Resolution in an amount not-to-exceed $65,000,000. Proceeds will be used to (i) refinance existing Illinois Health Facilities Authority Bonds Series 1996 and Series 1996B; (ii) acquire, construct and renovate the Hospital and properties owned by the HealthCenter and other capital expenditures; (iii) finance a debt service reserve fund; and (iv) pay costs of issuance.

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

No. 12 **Resolution to Approve an Amended and Restated Bond and Loan Agreement and Related changes regarding IFA Series 2007 501(c)(3) Revenue Bonds (Chicago School of Professional Psychology Project)**

The Chicago School of Professional Psychology (the "Borrower") is requesting the Illinois Finance Authority ("IFA") and Capital One Public Funding, LLC (the "Direct Purchaser" and lender to the Borrower on the IFA Series 2007 Bonds) to amend certain provisions of the Bond and Loan Agreement, in order to provide for certain amendments resulting in (i) a lower fixed interest rate on the IFA Series 2007 Bonds (from 4.75% to 4.39% per annum); (ii) a reduced principal amount of the Bonds outstanding (a minimum reduction of $500,000; the original Par Amount was $13,150,000); and (iii) a shortening of the maturity date of the Bonds from October 1, 2027, to March 1, 2026.

No. 13 **Resolution Reallocating a Portion of Recovery Zone Economic Development Bond Authority to DuPage County**

A resolution empowering the Executive Director of the Illinois Finance Authority and/or his designees to reallocate a portion of Recovery Zone Economic Development Bonds to DuPage County and ratifying certain actions.

No. 14 **Resolution Delegating Reallocation Authority for Recovery Zone Facility Bonds and Recovery Zone Economic Development Bonds to the Executive Director of the Illinois Finance Authority**

A resolution empowering the Executive Director of the Illinois Finance Authority and/or his designees to reallocate of Recovery Zone Facility Bond and Recovery Zone Economic Development Bond volume cap to various counties and cities within the jurisdiction of the State of Illinois.

No. 7 **Roseland Community Hospital – $35,000,000 – Preliminary**

Roseland Community Hospital is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed $35,000,000. Bond proceeds, together with other available monies, will be used to (i) refund existing debt of Roseland Community Hospital; (ii) construct and renovate an adolescent behavioral center (iii) finance information technology upgrades; and (iv) finance working capital.

Mr. Frampton introduced Mr. Earmon Irons, Chief Executive Officer, Roseland Community Hospital. Mr. Irons thanked the Authority for their help in the transaction. Mr. Irons explained that Roseland Community Hospital hoped to use the funds to enhance their operation.

No. 8 **Smith Crossing - $50,000,000 - Preliminary**

Smith Crossing is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed $50,000,000. Proceeds will be used to (i) construct the Phase 2 Expansion consisting of 30 new assisted living units, the conversion of 16 of the existing memory support assisted living units to memory support skilled nursing units, and the construction of 76 new independent living apartments; (ii) fund a portion of capitalized interest; (iii) fund debt service reserve funds and certain other reserves; and (iv) pay costs of issuance.

Mr. Frampton introduced Ms. Deborah Hart, Chief Financial Officer, Smith Crossing. Ms. Hart thanked the Authority for this assistance in the transaction. Ms. Hart thanked the Board for helping Smith Crossing care for the aging population.

Chairman Brandt asked if the Board had any questions with respect to Items Nos. 7, 8, 12, 13 or 14. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Items Nos. 7, 8, 12, 13 and 14. Items Nos. 7, 8, 12, 13 and 14 received approval with 11 ayes, 0 nays and 0 abstentions.

No. 4 **CenterPoint Joliet Terminal Railroad, LLC (CenterPoint Intermodal Center – Joliet Project) - $200,000,000 – Final**

CenterPoint Joliet Terminal Railroad, LLC is requesting approval of a Final Bond Resolution in an amount not-to-exceed $200,000,000. The proposed project will enable CenterPoint Joliet Terminal Railroad, LLC to (i) acquire land; and (ii) construct and equip various capital improvements thereon at CenterPoint Intermodal Center in Joliet, Illinois, a rail-to-truck and truck-to-rail Intermodal facility generally located south and east of the Des Plaines River, east of the Burlington Northern Santa Fe Railway, north of Noel Road, and west of both Illinois 53 and the Union Pacific Railroad, and located within the corporate boundaries of the City of Joliet.

Mr. Frampton introduced Mr. Daniel Hemmer, Senior Vice President and General Counsel, CenterPoint Properties Trust. Mr. Hemmer thanked the Authority and the Board for their assistance in the transaction. He explained the recent groundbreaking on the Union Pacific Line and stated the voiced enthusiasm of CenterPoint Terminal Railroad, LLC to begin work on the project.

Chairman Brandt asked if the Board had any questions with respect to Item No. 4. Mr. Norm Gold explained that he must abstain on the grounds that his law firm was involved with Item No. 4. Chairman Brandt asked Mr. Syed to read the roll call. Mr. Syed read the roll call and announced that the motion has received approval with 10 ayes, 0 nays and 1 abstention.

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. Leonard and seconded by Mr. Zeller, the Board unanimously voted to adjourn at 12:15 p.m.

Respectfully submitted by
Ahad Syed
Administrative Assistant
Assistant Board Secretary

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Jim Senica and Lorrie Karcher

Date: December 14, 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: $1,134,718**
- **Calendar Year Summary:** (as of December 14, 2010)
  - Volume Cap: $25,000,000
  - Volume Cap Committed: $10,238,357
  - Volume Remaining: $14,761,643
  - Average Acreage Farm Size: 106
  - Number of Farms Financed: 55
- **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-8426**	
Funding Manager:		
Borrower(s):	**Waldrop, Ryan D. & Heather D.**	
Borrower Benefit:	First Time Land Buyer	
Town:	Sumner, IL	
IFA Bond Amount:	**$237,268**	
Use of Funds:	Farmland – 130.6 acres	
Purchase Price:	$474,535 / ($3,633 per ac)	
%Borrower Equity	5%	
% USDA Farm Service Agency	45% *(Subordinate Financing)*	
%IFA	50%	
County/Region:	Lawrence / Southeastern	
Lender/Bond Purchaser	Peoples State Bank / Stacy Moore	
Legislative Districts:	Congressional:	19th, John Shimkus
	State Senate:	55th, Dale Righter
	State House:	105th, Roger Eddy

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on January 15, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on January 15, 2012 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

B.

Project Number:	**A-FB-TE-CD-8427**	
Funding Manager:		
Borrower(s):	**McLaughlin, Wade C.**	
Borrower Benefit:	First Time Land Buyer	
Town:	Woodhull, IL	
IFA Bond Amount:	**$150,000**	
Use of Funds:	Farmland – 60.7 acres	
Purchase Price:	$300,000 / ($4,942 per ac)	
%Borrower Equity	5%	
% USDA Farm Service Agency	45% *(Subordinate Financing)*	
%IFA	50%	
County/Region:	Henry / Northwest	
Lender/Bond Purchaser	Farmers State Bank / Marvin Watters	
Legislative Districts:	Congressional:	17th, Phil Hare
	State Senate:	37th, Dale Risinger
	State House:	74th, Donald Moffitt

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on December 27, 2011. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on December 27, 2011 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

*** Information enclosed in the border is to be considered confidential and may be exempt from disclosure under the Freedom of Information Act**

C.

Project Number:	**A-FB-TE-CD-8428**
Funding Manager:	
Borrower(s):	**Ridgely, Jordon**
Borrower Benefit:	First Time Land Buyer
Town:	Olney, IL
IFA Bond Amount:	**$325,000**
Use of Funds:	Farmland – 149 acres
Purchase Price:	$650,000 / ($4,362 per ac)
%Borrower Equity	5%
% USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	Hamilton / Southern (Property located in Broughton, IL)
Lender/Bond Purchaser	Citizens National Bank / Seth Fearn
Legislative Districts:*	Congressional: 19th, John Shimkus
	State Senate: 59th, Gary Forby
	State House: 118th, Brandon Phelps

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-8429**
Funding Manager:	
Borrower(s):	**Werkheiser, Wade**
Borrower Benefit:	First Time Land Buyer
Town:	Kewanee, IL
IFA Bond Amount:	**$345,330**
Use of Funds:	Farmland – 161 acres
Purchase Price:	$650,330 / ($4,039 per ac)
%Borrower Equity	1%
% USDA Farm Service Agency	46% *(Subordinate Financing)*
%IFA	53%
County/Region:	Henry / Northwest
Lender/Bond Purchaser	Community State Bank / Kraig Gale
Legislative Districts:	Congressional: 17th, Phil Hare
	State Senate: 37th, Dale Risinger
	State House: 74th, Donald Moffitt

Principal shall be paid annually in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin on March 15, 2012. Accrued interest on the unpaid balance hereof shall be paid annually, with the first interest payment date to begin on March 15, 2012 with the thirtieth and final payment of all outstanding balances due thirty years from the date of closing.

E.

Project Number:	**A-FB-TE-CD-8430**
Funding Manager:	
Borrower(s):	**Mattingly II, Douglas E.**
Borrower Benefit:	First Time Land Buyer
Town:	Paris, IL
IFA Bond Amount:	**$77,120**
Use of Funds:	Farmland – 30 acres
Purchase Price:	$96,400 / ($3,213 per ac)
%Borrower Equity	10%
% State Bank of Chrisman	10% *(Subordinate Financing/1st on equipment)*
%IFA	80%
County/Region:	Edgar / Southeastern
Lender/Bond Purchaser	State Bank of Chrisman / John Brinkerhoff
Legislative Districts:	Congressional: 15th, Timothy Johnson
	State Senate: 55th, Dale Righter
	State House: 109th, Roger Eddy

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

CONDUIT

December 14, 2010

$17,000,000 (not-to-exceed amount)
CONCORDIA PLACE APARTMENTS, L.P.
(CONCORDIA PLACE APARTMENTS)

REQUEST	**Purpose**: Proceeds will be used by **Concordia Place Apartments, L.P.** (the "**Borrower**") and combined with other funds to (i) current refund the remaining outstanding balance of the City of Chicago Series 2003 Revenue Bonds and IFA Series 2006 Subordinate Bonds, (ii) finance capitalization of certain reserve funds required by the Credit Enhancer (Harris Bank, N.A.), (iii) fund renovations, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds. It is currently anticipated that the Bonds will be sold in four series. Series A ($11.905MM) will be tax-exempt and subject to AMT and proceeds will be used to refund the outstanding balance of the Series 2003 Bonds. Series B ($640,000) will be taxable and used to fund renovations, costs and reserves excluded from tax-exempt financing. Series C ($640,000) will be tax-exempt and subject to AMT and used to fund the defeasance of the Series 2006 Bonds and tax-exempt eligible renovations and reserves. Series D ($2.7MM) will be tax-exempt and used to fund reimbursement of additional capital improvement costs, fund reserves, fund costs of issuance, and current refund Subordinate IFA Series 2006 Bonds Series A-B will be Harris Bank LOC-enhanced and sold as 7-day floaters. Series C-D will subordinate, unenhanced, and variable rate and privately placed to institutional investors by Mesirow Financial, Inc. **Program**: Affordable Rental Housing Bonds (Multifamily) **Extraordinary Conditions**: None **Preliminary Estimate of Carryforward or Home Rule Volume Cap required:** $1.90 Million ($2.54 Million maximum)
BOARD ACTIONS	Final Bond Resolution requested. Preliminary Bond Resolution approved April 13, 2010: Ayes: 8; Nays: 0; Abstentions: 0; Absent: 6 (Bashir, DeNard, Herrin; Leonard; Rivera; Leonard); Vacancies: 1
MATERIAL CHANGES	Reduction in anticipated New Money Bonds from $3.225 Million to a range of $1.90 Million to $2.54 Million.
JOB DATA	8.5 FTE Current jobs — 0 New jobs projected N/A Retained jobs — 0 Construction jobs projected
BORROWER DESCRIPTION	Concordia Place Apartments, L.P. is an Illinois limited partnership and special purpose entity established in 2003 for the express purpose of acquiring, financing, renovating, and owning **Concordia Place Apartments** (the "**Project**" or the "**Property**") in Chicago, Illinois, an existing 297-unit affordable multifamily housing property originally constructed in 1970.
PROPOSED STRUCTURE	The Series 2010A and 2010B Bonds will be credit enhanced with a Direct Pay LOC from Harris Bank. The Series A and B bonds will initially be sold as 7-day Variable Rate Bonds. An interest rate cap will be purchased to limit the variable interest rate exposure. The Series 2010C and Series 2010D Bonds will be unenhanced, privately placed bonds with minimum denominations of $100,000 (i.e., institutional investors only). The Series C and D Bonds will be placed as variable rate bonds. Although the Bond Resolution will permit a final maturity date in 35 years, Bonds will be sold in various maturities of up to 30 years based on useful life and lender and investor considerations.

SOURCES AND USES –

IFA Refunding Bonds	$13,345,000	Bond Refunding Escrow	$13,345,000
IFA New Money Bonds	2,540,000	Harris Bank, N.A. - Third party Reports, Survey	20,100
Existing Reserves	259,938	Reserve Funds	811,870
		Harris LOC & Interest Rate Cap Fees	180,000
		Title and Recording Fees	8,000
		Cost of Issuance	174,900
		Legal Fees – Owner (Refinancing)	114,500
		Reimbursement for Renovations incurred subsequent to IFA Inducement Res.	234,280
		IFA and Volume Cap Fees	110,500
		Deferred Developer Fee (2003 Tax Credit/Limited Partnership Agreement)	1,145,788
Total	**$16,144,938**	**Total:**	**$16,144,938**

RECOMMENDATION: Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Obligor: Concordia Place Apartments, L.P. (Concordia Place Apartments Project)

STATISTICS

Project Number:	M-MH-TE-CD-8347	Amount:	$17,000,000 (not-to-exceed amount)
Type:	Affordable Rental Housing Bonds	IFA Staff:	Rich Frampton
Location:	Chicago	County/Region:	Cook/Northeast

BOARD ACTION

Final Bond Resolution (New Money and Refunding)
Conduit Tax-Exempt Affordable Rental Housing Bonds
Credit Review Committee recommends approval.

No IFA Funds contributed
No extraordinary condition: all Bonds will be sold in minimum denominations of $100,000 (including the LOC-enhanced series) thereby assuring placement to institutional investors. Non-rated Series 2010C-D Bonds to be placed with one or more institutional investors subject to the purchaser executing an Investor Letter.

VOTING RECORD

Preliminary Bond Resolution approved April 13, 2010:

Ayes: 8; Nays: 0; Abstentions: 0; Absent: 6 (Bashir, DeNard, Herrin; Leonard; Rivera; Leonard); Vacancies: 1

PURPOSE

To refinance 100% of the outstanding balance of the Project's outstanding Bonds, which are comprised of (i) City of Chicago Series 2003 Bonds (the proceeds of which financed the acquisition and substantial rehabilitation of the Concordia Place Apartments Project in Chicago), and (ii) IFA Series 2006 Subordinate Bonds (the proceeds of which were used to finance additional capital improvements to the Concordia Place Apartments property).

Informational disclosure: The original Par Amount of the City of Chicago Series 2003 Bonds was $14.0 million and the original Par Amount of the IFA Series 2006 Subordinate Bonds was $800,000.

IFA CONTRIBUTION AND PROGRAM

Conduit Tax-Exempt Affordable Rental Housing Bonds. (The existing 4% Low Income Housing Tax Credits created by issuance of the $14,000,000 Series 2003 City of Chicago Multifamily Housing Bonds will remain in place and payment of Deferred Developer Fees specified in the 2003 Limited Partnership Agreement.)

VOLUME CAP

This financing will require an estimated $1.90 million to $2.54 million of Volume Cap or Carryforward Volume Cap (preliminary, subject to change) to finance capitalized reserves required by Harris Bank or bond investors, and other eligible costs, including the purchase of an interest rate cap, funding a HUD Restabilization Reserve, and costs of issuance. The Borrower has negotiated to use prior year Carryforward assigned and designated by Home Rule Units for use on Multifamily and other Affordable Rental Housing Bond projects financed by IFA.

JOBS

Current employment:	8.5 FTE	Projected new jobs:	0 (Refunding)
Jobs retained:	Not applicable	Construction jobs:	0 (Refunding)

SOURCES AND USES OF FUNDS

Sources:		**Uses:**	
IFA Refunding Bonds	$13,345,000	Bond Refunding Escrow	$13,345,000
IFA New Money Bonds	2,540,000	Harris Bank, N.A. - Third party Reports, Survey	20,100
Existing Reserves	259,938	Reserve Funds	811,870
		Harris LOC & Interest Rate Cap Fees	180,000
		Title and Recording Fees	8,000
		Cost of Issuance	174,900
		Legal Fees – Owner (Refinancing)	114,500
		Reimbursement for Renovations incurred subsequent to IFA Inducement Res.	234,280
		IFA and Volume Cap Fees	110,500
		Deferred Developer Fee (2003 Tax Credit/Limited Partnership Agreement)	1,145,788
Total	**$16,144,938**	**Total:**	**$16,144,938**

Note: The Deferred Developer Fee above ($1,145,788) represents the amount allocated but not yet paid from Surplus Cash Flows established pursuant to the Limited Partnership Agreement established between the General Partner (DRE, Inc.) and the Limited Partners (i.e., 4% Low Income Housing Tax Credit Investors) executed in connection with the original 2003 acquisition/rehabilitation financing of Concordia Place Apartments by the current owners.

FINANCING SUMMARY/STRUCTURE

Security:

- The $11,905,000 IFA Series 2010A Tax-Exempt Refunding Bonds and $640,000 IFA Series 2010B Taxable (New Money) Bonds will each be credit enhanced by a Direct Pay Letter of Credit ("LOC") from Harris Bank N.A.

- The $640,000 IFA Subordinate Series 2010C Tax-Exempt Refunding Bonds and $2,700,000 IFA Subordinate Series (New Money) 2010D Tax-Exempt Bonds will be sold on a non-rated basis directly to institutional investors subject to execution of an Investor Letter. The Series 2010C and 2010D Bonds are secured by a lien on Net Operating Income of the Project, subordinate to payments due to Harris Bank, N.A. on the IFA Series 2010A and 2010B Bonds.

The Bonds will not be secured by any lien or security interest in the Project.

Structure: Bonds will be sold initially as 7-day Variable Rate Demand Bonds. The Bonds will be sold in minimum denominations of $100,000 (and any integral multiple of $5,000 in excess thereof). The most recent average tax-exempt weekly floating rate was approximately 0.42% as of 11/17/2010.

The $640,000 IFA Series 2010B Taxable (New Money) Bonds will be the only Taxable Bonds issued. Series 2010A, 2010C, and 2010D will be Tax-Exempt.

Notes on Use of Proceeds for each Series: The Series 2010A Bonds and 2010C Bonds will current refund the existing outstanding balance of the City of Chicago Series 2003 Bonds.

The Series 2010B Bonds and 2010D Bonds will fund reimbursement of additional capital improvement costs to the Project, fund certain reserve funds, and fund certain costs of issuance. Additionally, the Series 2010D Bonds will current refund the Subordinate IFA Series 2006 Bonds (original Par amount of $800,000).

Maturity Dates:

- IFA Series 2010A Tax-Exempt Variable Rate Refunding Bonds (Harris Bank LOC enhanced): Jan. 1, 2033
- IFA Series 2010B Taxable Variable Rate Bonds (Harris Bank LOC enhanced): Jan. 1, 2020 (preliminary, subject to change)
- IFA Series 2010C Tax-Exempt Variable Rate Refunding Bonds (non-rated): Jan. 1, 2019. Will be sold on a non-rated basis for an initial two-year period.
- IFA Series 2010D Bonds (non-rated): Jan. 1, 2019. Will be sold on a non-rated basis for an initial two-year period.

IFA Bond Resolution Parameter: The IFA Bond Resolution provides for a Final Maturity Date parameter of not later than 35 years after the date of issuance.

Requirement to Purchase Interest Rate Cap: The Borrower will purchase a five-year interest rate cap (with a strike rate of no more than 6.0%) to limit variable interest rate risk.

HAP Contract Term: The existing project-based Housing Assistance Payment ("HAP") Contract with HUD on all 297 units is scheduled to expire as of 5/15/2017. Pursuant to HUD guidelines, the Borrower cannot request renewal of a project-based HAP contract until 5/15/2016 (i.e., exactly one year prior to scheduled expiration date of the current contract). According, the Borrower anticipates requesting renewal of the project-based HAP contract for a 15- to 20-year period when they submit for renewal in 2016.

HAP Contract Restabilization Reserve Requirement: On the date that the IFA Series 2010 Bonds close, Harris Bank reserves the right to require the Borrower to deposit an amount equal to the greater of (a) an amount indicated by a Restabilization Analysis, or (b) six (6) months of debt service on the IFA Series 2010 Bonds. *This HAP Debt Service Reserve will be used to pay debt service, as needed, if the HAP Contract expires and is not renewed.*

Anticipated Closing Date: Early 2011

PROJECT SUMMARY

Bond proceeds will be used by Concordia Place Apartments, L.P., to fund certain renovations, and to current refund, capitalize various reserves, purchase an interest rate cap, and pay costs of issuance to refinance the outstanding principal balance of (i) City of Chicago Series 2003 Multifamily Housing Revenue Bonds (Concordia Place Apartments Project) and (ii) Illinois Finance Authority Subordinate Series 2006 Revenue Bonds (collectively, the "**Prior Bonds**"). The Prior Bonds were used to finance the acquisition, substantial rehabilitation, and equipping of Concordia Place Apartments, a twenty-nine (29) building, 297-unit, multifamily rental property located on an approximately 20.72 acre site at 13037 South Daniel Drive, Chicago (Cook County), IL 60827-1252 (the "Project"). Concordia Place Apartments was originally constructed in 1970 and purchased and substantially rehabilitated by its current owner in 2003 (and further renovated in 2006).

Organization: **Concordia Place Apartments, L.P. (the "Applicant")** is an Illinois limited partnership and special purpose entity established in 2003 for the express purpose of acquiring, financing, renovating, and owning the **Concordia Place Apartments** (the "**Project**" or the "**Property**") in Chicago, Illinois, an existing 297-unit affordable multifamily housing property originally constructed in 1970.

The Applicant financed the acquisition and renovation of the subject property in 2003 with $14.0 Million of Bonds issued by the City of Chicago. Additionally, the Applicant financed subsequent renovations with an $800,000 of Illinois Finance Authority Bonds issued in 2006.

The **General Partner** and 1.0% owner of the Applicant is **DRE, Inc.** ("**DRE**") of Libertyville, Illinois. **Mr. Dennis R. Egidi** is the President of DRE, Inc.

There are two Limited Partners that each own a 49.5% ownership interest in the property: (1) City LIII Tax Credit Fund I, LLC, (an affiliate of City Securities Corporation of Indianapolis, IN), and (2) National City Community Development Corporation (an affiliate of PNC Bank, Pittsburgh, PA). See Page 6 (Economic Disclosure Statement) for additional information.

Background: Concordia Place Apartments includes twenty-nine (29) wood frame buildings and contains 297 units overall. The Property was opened in 1970 and includes a mix of studio, one-, two-, and three-bedroom units. The property is located on an approximately 20.72 acre site at 13037 South Daniel Drive in Chicago. The property site is located approximately 1.2 miles west of the I-94 (Bishop Ford Freeway)/130th Street interchange in the City of Chicago's Riverdale neighborhood. [Chicago's Riverdale neighborhood is bounded by 115th Street on the north, 118th Street on the south, I-94 (Bishop Ford Freeway) on the east, and the Canadian National (formerly Illinois Central) Railroad right-of-way on the west. The Village of Riverdale is located west of Chicago's Riverdale neighborhood.]

The Applicant originally financed the acquisition and renovation of the subject property in 2003 with $14.0 million of Tax-Exempt Multifamily Housing Revenue Bonds issued by the City of Chicago (and $9.4 million of 4% Low Income Housing Tax Credit Equity). The Series 2003 City of Chicago Bonds are currently secured by a Direct Pay Letter of Credit from Harris Trust and Savings Bank and bear interest at a 7-day floating interest rate. Payments on the Series 2003 Bonds and the IFA Series 2006 Subordinate Bonds were both current as of 11/1/2010.

The property's common facilities include 294 parking spaces and an 8,984 SF clubhouse area. Recreational facilities include a basketball court and tot lot.

The Series 2003 Bonds financed a substantial rehabilitation of the property. Improvements included: appliance replacement, A/C sleeve unit replacement, carpeting replacement, vinyl flooring replacement, wall and ceiling repair throughout, repainting throughout, balcony replacement, exterior wood siding cleaning/caulking/painting, various carpentry repairs to level 1st floor flooring supports, kitchen cabinet replacement, kitchen faucet and sink replacement, miscellaneous plumbing repairs including water and waste lines, sump pump replacements throughout, club house renovations (HVAC, Laundry Room renovations), replacement of concrete walks, stoops, and curbing, siding to be replaced with low-maintenance vinyl siding, parking lot repairs, replacement of kitchen and bathroom lighting fixtures, re-landscaping of the property with over 200 new trees, and boiler replacements in all 29 buildings.

Background on Developer and Affiliates: **DRE, Inc.** ("**DRE**") is a Libertyville-based real estate investment, development, and management firm established in 1993 and specializing in the acquisition, rehabilitation, and development of multi-family residential communities in the Chicago metropolitan area. DRE, Inc. has developed thirteen projects in Illinois, Ohio, Indiana, and California totaling 3,185 units.

Mr. Dennis R. Egidi is the President of DRE and also serves as the managing general partner for 16 limited partnerships organized from 1973 to present. These partnerships include a total of sixteen projects and 1,845 units of Section 8 Housing and Tax Credit projects completed with either DRE, Inc. as the General Partner or as the Managing Partner of The Egidi Group II.

The current property manager for Concordia Place Apartments is **Promex Midwest Corporation** ("**Promex**" or the "**Property Manager**"), of Libertyville, Illinois, which is approximately 60%-owned by Mr. Egidi, who serves as its President and Chairman. Promex currently manages commercial and multifamily housing properties in the Midwest. Promex currently manages 12 affordable rental properties, both multifamily and senior, including 10 located in Illinois. Promex also provides oversight management to two properties totaling 329 units: Cinnamon Lake Towers, 274 multifamily units in Waukegan, IL; and Fort Wayne Renaissance Homes, 46 single-family units in Fort Wayne, IN.

Promex's ten Illinois affordable residential rental housing projects under management include the projects listed below. These projects include a mix of multifamily and senior properties. All ten properties have been supported with tax credits and require compliance with Low Income Housing Tax Credit requirements. All projects, except for one (Meadow View Apartments and) were financed with Tax-Exempt Bonds:

- *Concordia Place Apartments* (*Subject*), Chicago (297 units – Section 8 Multifamily)
- *Galesburg Towers*, Galesburg, IL(123 units –Section 8 Elderly)
- *Liberty Towers II*, Libertyville (121 units – Section 8 Elderly)
- *Sterling Towers II,* Sterling (111 units – Section 8 Elderly)
- *Mattoon Towers II*, Mattoon (81 units – Section 8 Elderly)
- *Spring Creek Towers II*, Decatur (137 units – Section 8 Elderly)
- *Pontiac Towers,* Pontiac (111 units – Section 8 Elderly)
- *Rome Meadows Apartments,* Dix (95 units – Section 8 Elderly)
- *Meadow View Apartments*, Blue Island (99 units – Multifamily)
- *Hyde Park Apartments*, Chicago (73 units – Section 8 Elderly)

Previously, IFA and IDFA have provided Tax-Exempt Bond financing for 9 projects developed by entities affiliated with Mr. Egidi including: (1) Galesburg Towers, (2) Mattoon Towers, (3) Sterling Towers, (4) Pontiac Towers, (5) Rome Meadows in Dix, (6) Cinnamon Lake Towers in Waukegan, (7) Sandwich Apartments in Sandwich, (8) Liberty Towers in Libertyville, and (9) Concordia Place Apartments in Chicago (the subject project) previously in 2006.

Aside from the IFA Series 2009 Liberty Towers Bonds and IFA Series 2006 Concordia Place Apartments Bonds, the Cinnamon Lake Towers bond issue is the only prior IFA (IDFA) transaction that remains outstanding (with all payments current as of 11/1/2010). The Sterling, Mattoon, Pontiac, and Sandwich projects were subsequently refinanced or sold without IFA (IDFA) involvement and were repaid in full. The IFA (IDFA) Galesburg Towers Bonds and Rome Meadows Bonds were both paid off in 2006.

Accessibility: According to the Developer, previous improvements brought the property into full compliance with ADA standards (to the extent applicable for a project originally completed in 1970).

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Concordia Place Apartments, L.P., an Illinois limited partnership, c/o Mr. Dennis R. Egidi, General Partner, c/o DRE, Inc., 800 S. Milwaukee Avenue, Suite 170, Libertyville (Lake County), IL 60048; Ph.: 847-816-6400; Fax: 847-816-6783; e-mail: dennis.egidi@dre-pmc.com
Project name:	Concordia Place Apartments
Location:	13037 South Daniel Drive, Chicago (Cook County), IL 60827-1252
Organization:	Limited Partnership
State:	Illinois

Ownership of Applicant: Concordia Place Apartments, L.P., an Illinois limited partnership:

- General Partners (1.0%):
  - Mr. Dennis R. Egidi, Managing General Partner: 100%
- Limited Partner (49.5% - Tax Credit Investor): City LIII Tax Credit Fund I, LLC, an Indiana Limited Liability Company, c/o City Real Estate Advisors, Inc., its managing member (an affiliate of City Securities Corporation Corp.), 30 S. Meridian St., Suite 600, Indianapolis, IN 46204 (Contact: Brian K. McDonnell, Chief Operating Officer, 317-808-0257)
- Limited Partner (49.5% - Tax Credit Investor): National City Community Development Corporation, d/b/a National City Community Association of Illinois (an affiliate of PNC Bank, Pittsburgh, PA), One North Franklin St., Suite 600, Chicago, IL 60606 (Contact: Charles Brown: 217-753-7130; charles.brown@nationalcity.com)

Current Property Owner: Concordia Place Apartments, L.P. (acquisition by Borrower closed in 2003; concurrent with issuance of City of Chicago Series 2003 Bonds and related sale of 4% Low Income Tax Credit Equity to the Limited Partners)

PROFESSIONAL & FINANCIAL

Counsel:	Krasnow Saunders Cornblath LLP	Chicago, IL	Henry Krasnow
Accountant:	The Reznick Group, P.C.	Skokie, IL	Jeff Cunningham
Bond Counsel:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Placement Agent:	Mesirow Financial Inc.	Chicago, IL	Bill Carney
Counsel to Placement Agent:	Drinker Biddle & Reath LLP	Chicago, IL	Chuck Katz
Bank LOC:	Harris Bank, N.A.	Chicago, IL	Steve Quasny
Counsel to LOC Bank:	Charity & Associates, P.C.	Chicago, IL	
Trustee:	The Bank of New York Mellon Trust	New York, NY	Rhonda Jackson
Tax Credit Investors:	City LIII Tax Credit Fund I, LLC (an affiliate of City Securities, Corp.)	Indianapolis, IN	Brian McConnell
	National City Community Development Corporation (an affiliate of PNC Bank)	Chicago, IL	Charles Brown
Management Agent:	Promex Midwest Corporation	Libertyville, IL	Gale Loding
Appraiser:	Joseph J. Glake & Assocaites, Inc.	Chicago, IL	Dave Perry
Issuer's Counsel:	Peck Shaffer	Chicago, IL	Tom Smith
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	2	Jesse L. Jackson, Jr.
State Senate:	15	James T. Meeks
State House:	29	David E. Miller

CONDUIT

December 14, 2010

$3,000,000
AML Campus II, LLC & AML Equipment Corporation (Alef Sausage, Inc. Project)

REQUEST

Purpose: To enable **AML Campus II, LLC and AML Equipment Corporation** (collectively, the "**Borrowers**") to finance a portion of the costs of expanding and equipping an existing manufacturing facility located in Mundelein (Lake County), Illinois 60060 and for the acquisition of new machinery and equipment for use therein. Additionally, Bond proceeds may be used to pay costs of issuance. The project will be owned by AML Campus II, LLC & AML Equipment Corporation and leased to **Alef Sausage, Inc.** (the "**Alef**" and the "**Operating Company**") in connection with the manufacturing of sausage and other prepared meats (the "**Project**"). AML Campus II, LLC, AML Equipment Corporation and Alef Sausage, Inc. are affiliated through common ownership.

Program: Industrial Revenue Bonds

Volume Cap required: This project is expected to require approximately $2.9MM of IFA Volume Cap. The project is located in Mundelein, a Home Rule municipality.

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

BOARD ACTION

Final Bond Resolution (One-time consideration)

MATERIAL CHANGES

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

JOB DATA

12	Current jobs	16	New jobs projected
N/A	Retained jobs	50 (4-6 months)	Construction jobs projected

BORROWER DESCRIPTION

- Type of entity: Development and manufacturing of sausages and other prepared meats.
- Location: Mundelein/Lake/Northeast
- The Borrowers are the owners of the real estate and equipment leased to the operating entity, Alef Sausage, Inc.
- The new facility will be leased to and used by Alef Sausage, Inc. for their manufacturing operation.

CREDIT INDICATORS

- Bonds will be directly purchased by First American Bank as a direct investment.

STRUCTURE

Term: 30 years (it is anticipated that real estate will be amortized over up to 30 years and equipment over 7 years)
Rate: Tax-exempt rate being negotiated with First American Bank

SOURCES AND USES

IFA Bonds	$2,900,000	Project Cost:	$3,147,143
Equity	311,143	Costs of Issuance	64,000
Total	**$3,211,143**	**Total**	**$3,211,143**

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: AML Campus II, LLC & AML Equipment Corporation (Alef Sausage, Inc. Project)

STATISTICS

IFA Project:	I-ID-TE-CD-8432	Amount:	$3,000,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton and Jim Senica
Location:	Mundelein	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 project has been presented to the IFA Board of Directors.

PURPOSE

To enable Alef Sausage, Inc. to expand its existing manufacturing facility located in Mundelein, Illinois, to purchase equipment for use therein, and to pay bond issuance costs.

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 $2.9MM of the Volume Cap allocation required to finance this project. The Village of Mundelein is a Home Rule Unit.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds (IRB)	$ 2,900,000	**Uses:**	Project Costs	$ 3,147,143
	Equity	$ 311,143		Costs of Issuance	$ 64,000
	Total:	**$ 3,211,143**		**Total:**	**$ 3,211,143**

JOBS

Current employment:	12	Projected new jobs:	16
Jobs retained:	N/A	Construction jobs:	50 (over 4-6 month period)

FINANCING SUMMARY

Structure	The Bonds, will be structured as a Direct Purchase as a portfolio investment by First American Bank (as "Lender/Bond Purchaser") to be held in its entirety as a direct investment by the Bank until maturity (or until refinanced by another source, at which time the subject bonds must be reissued by IFA). Resale of these Bonds will be prohibited in the secondary market, as is customary for lender-purchased bonds.
Bank Collateral:	First American Bank is expected to be secured, as customary, by senior mortgages on the subject properties, Illinois, a first lien on specific equipment and UCC filings on the assets of Alef Sausage, Inc., AML Equipment Corporation, AML Campus, LLC and AML Campus II, LLC. Additionally, it is anticipated that all loans to these entities will be cross-collateralized and cross-defaulted.
Maturity:	30 Years on real estate assets; 7 years on equipment assets
Closing:	December 23, 2010

BUSINESS SUMMARY

Description: **AML Campus II, LLC** ("**LLC**" or the "**Borrower**"), is an Illinois limited liability company established by the principal shareholders of **Alef Sausage, Inc.** ("**Alef**" or the "**Operating Company**"), an Illinois Corporation, as a special purpose entity to purchase and own real estate, to be leased to Alef and located at or near 1026 Campus Drive in Mundelein (Lake County).

AML Equipment Corporation ("**Equipment Corp**." or the "**Borrower**") is a S corporation established under Illinois law by the principal shareholders of Alef Sausage, Inc. as a special purpose entity to purchase and own equipment to be leased to Alef and located at or near the 1026 Campus Drive facility in Mundelein (Lake County).

Alef was originally established in 2000 by Alec Mikhalov and his brother. In 2004, Alec purchased his brother's share to become joint owner with his wife, Lyubov.

The LLC, Equipment Corp. and the Operating Company are also owned by Alec and his wife Lyubov.

Background: Alef Sausages, Inc. manufactures over 40 varieties of European cooked and smoked sausage and other cured meats, including 10 variations of salamis, 11 different bolognas, 7 cooked sausages, bacon, and ham. The Company uses traditional Russian recipes in adapted to meet USDA standards while providing traditional Russian taste and texture.

Alef's customers are primarily ethnic food distributors and specialty stores. Their products are sold nationally.

Alef's web site is: *www.alefsausage.com* .

Rationale: This project will enable Alef Sausage, Inc. to expand its production capacity of cured meats from 40,000 lbs. per week to 80,000 lbs. per week. The proposed Industrial Revenue Bond financing enhances the economic viability of this expansion of the Company's Mundelein manufacturing facilities.

The proposed project will enable Alef to economically expand its Mundelein operation and eliminate the need to relocate elsewhere to a larger facility (*including out-of-state*). The proposed expansion will enable Alec to absorb business from competitors that have ceased operations during the current recession.

PROJECT SUMMARY

IFA Bond proceeds will be combined with owner equity to finance a portion of the costs of constructing and equipping an approximately 19,123 square foot building to supplement production capacity at its existing approximately 16,562 square foot facility located on Campus Drive in Mundelein (Lake County), Illinois 60060. Additionally, Bond proceeds will be used to pay Bond issuance costs.

Estimated (New Money) project costs are as follows:

Land Acquisition	$200,000
New Construction	1,958,883
New Machinery & Equipment	827,760
Architectural, engineering & professional	160,500
Total New Money Project Costs	**$3,147,143**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	AML Campus II, LLC & AML Equipment Corporation, c/o Mr. Alec Mikhalov, Alef Sausage, Inc., 1026 Campus Drive, Mundelein (Lake County), IL 60060; Ph.: (847) 968-2533 Website: www.alefsausage.com
Project name:	Alef Sausage, Inc.
Location:	1026 and 1046 Campus Drive, Mundelein, IL 60060
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: AML Equipment Corporation:
Alec Mikhalov – 50%
Lyubov Mikhalov – 50%

(ii) Applicant: AML Campus II, LLC:
Alec Mikhalov – ownership percentage currently being determined by counsel
Lyubov Mikhalov - ownership percentage currently being determined by counsel

(ii) Tenant/Operating Company/Corporate Guarantor:
Alef Sausage, Inc., an Illinois Corporation:
Alec Mikhalov – 50%
Lyubov Mikhalov – 50%

PROFESSIONAL & FINANCIAL

General Counsel:	Thompson Coburn	Chicago, IL	Vic Des Laurier
Accountant:	Stanley Zilber & Associates	Northbrook, IL	Stan Zilber
Lender/Bond Purchaser	First American Bank	Elk Grove Village, IL	Steve Eikenberry
Bond Counsel:	Peck Shaffer	Chicago, IL	Tom Smith
Bank Counsel:	First American Bank	Elk Grove Village, IL	Fred Snow
General Contractor:	American Igloo Builders, Inc.	Libertyville, IL	Todd Breitenfield
IFA Counsel:	Goldberg Kohn	Chicago, IL	Keith Sigale
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	8	Melissa Bean
State Senate:	30	Terry Link
State House:	59	Kathleen A. Ryg

CONDUIT

ILLINOIS FINANCE AUTHORITY

December 14, 2010

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

REQUEST

Purpose/Project: Proceeds of the IFA Series 2010 Midwestern Disaster Area Bonds (KONE Centre Project), combined with other sources of debt and equity, will be loaned to **KONE Centre Investment Fund, LLC** (the "**Borrower**"), with such proceeds ultimately, through a series of transactions and loans to **Financial District Properties KP, LLC** (the "**Owner**"), an Illinois limited liability company, to finance costs associated with the acquisition, construction and equipping of a new approximately 115,000 square foot ("SF"), 8-story office and residential building to be located on an approximately 2.184 acre site at 1 KONE Court (at the southeast corner of 17th Street and 2nd Avenue) in Moline (Rock Island County), Illinois (the **"Project"**), and to finance costs of issuance of the Bonds. The Project will be owned by the Financial District Properties KP, LLC. Approximately 4½ floors of the Project will be leased to **KONE Inc**. ("**KONE**") , a Delaware corporation, a leading elevator and escalator manufacturer, and the US operating subsidiary of Finland-based **KONE OYJ**. The KONE Centre Building will serve as KONE's American operational center. Other portions of the Project will be leased to and used by various retail and other commercial tenants. (The 8th floor of the Project will be sold as multi-family condominiums and will be financed separately by the Developer).

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

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

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

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

BOARD ACTIONS

Rescind 9/14/2010 Bond Resolution and replace with a new Final Bond Resolution; advise Board of changes to standard IFA document provisions for executing the Collateral Agreement. Due to the two-tier borrower structure attributable to the New Markets Tax Credit equity, the Owner and the Borrower may not execute the Collateral Agreement directly.

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

Voting Record: Preliminary Bond Resolution approved August 10, 2010:
8 Ayes, 0 Nays, 0 Abstentions, Absent 6 (Brandt, DeNard, Fuentes, Leonard, Rivera, Zeller), 1 Vacancy

MATERIAL CHANGES

Authorize execution of new Bond Resolution that will amend the Collateral Agreement as necessitated by the New Markets Tax Credit structure.

JOB DATA

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

BORROWER DESCRIPTION

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

CREDIT INDICATORS

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

PROPOSED STRUCTURE

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

SOURCES AND USES

(Preliminary, Subject To Change)

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

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: KONE Centre Investment Fund, LLC

STATISTICS

IFA Project:	I-MDAB-TE-CD-8387	Amount:	$21,000,000 (Not-to-Exceed)
Type:	Midwestern Disaster Area Bonds	IFA Staff:	Rich Frampton
Location:	Moline	County/Region:	Rock Island / Northwest

BOARD ACTION

Rescind 9/14/2010 Bond Resolution and replace with new Final Bond Resolution to enable technical changes to documents.

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

VOTING RECORD

Voting Record: Final Bond Resolution approved September 14, 2010:
9 Ayes; 0 Nays; 0 Abstentions; 0 Absent; 0 Vacancies

Voting Record: Preliminary Bond Resolution approved August 10, 2010:
8 Ayes, 0 Nays, 0 Abstentions, Absent 6 (Brandt, DeNard, Fuentes, Leonard, Rivera, Zeller), 1 Vacancy

PURPOSE

To finance a portion of the costs of acquisition, construction and equipping of a new approximately 115,000 SF, 8-story office building to be located at 1 KONE Court in Moline, Illinois (the "**Project**"), and to pay costs of issuance of the Bonds. Approximately 4½ floors of the Project will be leased to KONE Inc., a Delaware corporation ("**KONE**") that is a leading elevator and escalator manufacturer, to serve as its American operational center. Other portions of the Project will be leased to and used by various retail and office tenants. The 8th floor of the Project will be developed as for-sale residential condominiums (and will be financed separately by the Developer).

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

IFA PROGRAM AND CONTRIBUTION

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

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

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

VOLUME CAP

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

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

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

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

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

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

JOBS

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

FINANCING SUMMARY*

"*" = Preliminary, Subject to Change

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

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

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

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

Timing: December 21, 2010. The New Markets Tax Credit Subordinate Loans/Equity are also scheduled to close on December 21, 2010.

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

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

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

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

- The combined amount of (1) the $23.26MM of "Leveraged Loans" (comprised of (i) the $20.2MM IFA Bonds purchased by US Bank, N.A., (ii) the $3.06MM Subordinate Developer Loan), and (2) US Bank CDC's $8.3MM capital (equity) contribution, net of a $1.658MM reduction for IRS-allowed adjustments, results in eligible New Markets Tax Credit Basis of $30.0MM.
- This $30.0MM of eligible NMTC "basis" generates $11.7MM of New Markets Tax Credits earned over 7 years. (US Bank CDC pays $8.3MM now to generate a stream of $11,7MM in Tax Credits totaling 39% of the eligible NMTC "basis" earned over the next 7 years.)
  - US Bank CDC's $11.7MM NMTC stream will be paid as follows: (1) 5% on the $30MM basis for the first 3 years -- for $1.5MM/year; and (2) 6% on $30MM for the last four years – for $1.8MM/year.
- New Markets Tax Credits are allocated by the US Department of the Treasury to eligible Community Development Entities (CDE's). These CDE's will use the equity investment from US Bancorp CDC to originate a $6.565MM Subordinate "B" Loan referenced above.
  - The Subordinate "B" Loan will be interest-only for 7 years (as required by the NMTC structure) at an estimated interest rate of 3.98%.
    - The Subordinate "C" Loan will be interest-only for 7 years (as required by the NMTC structure) at an estimated interest rate of 2.35%.
    - The Senior "A" IFA Bonds will be interest-only at an estimated rate of 4.00% to 4.50% for 7 years
  - The two CDE's on the KONE Transaction will then, in turn, re-loan the funds (in two separate notes based on their pro-rata Tax Credits allocations to the Investment Fund) from the Senior IFA "A" Bonds, and both the Subordinate "B", and Subordinate "C" loans to Financial District Properties KP, LLC. (Financial District Properties will "own" the Project and will execute the underlying lease with KONE, Inc.)
- The initial term on all NMTC loans, including the IFA Bonds, is limited to 7 years as required under the New Markets Tax Credit structure.
- The life of the Investment Fund is 7 years. At that time, US Bancorp CDC is required (as an NMTC equity investor) to forgive its $6.565MM Subordinate "B" Loan in exchange for a nominal consideration.
  - At that time, the Subordinate "B" Loan becomes equity in the project. Simultaneously, the Investment Fund will be dissolved and Financial District Properties KP, LLC will be the owner

and will become the direct obligor on the remaining outstanding debt, which could be refinanced or extended at that time.

BUSINESS SUMMARY

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

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

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

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

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

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

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

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

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

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

An adjacent 200-250 vehicle parking structure is also planned as part of the overall project. The KONE Centre Project will serve as the American operational center for KONE, Inc.

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

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

Background on Anchor Tenant: The anchor tenant of the property is KONE, Inc. The facility will serve as the American operational center for KONE OYJ, one of the world's leading elevator and escalator companies.

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

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

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

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

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

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

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

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

PROJECT SUMMARY FOR FINAL BOND RESOLUTION

Proceeds of the IFA Series 2010 Midwestern Disaster Area Bonds (KONE Centre Project), combined with other sources of debt and equity, will be loaned to **KONE Centre Investment Fund, LLC** (the "**Borrower**"), with such proceeds ultimately, through a series of transactions and loans to **Financial District Properties KP, LLC**, an Illinois limited liability company, (the "**Owner**") to finance costs associated with the acquisition, construction and equipping of a new approximately 115,000 square foot, 8-story office building to be located on an approximately 2.184 acre site at 1 KONE Court (at the southeast corner of 17th Street and 2nd Avenue) in Moline (Rock Island County), Illinois 61265 (the **"Project"**), and to finance costs of issuance of the Bonds. The Project will be owned by the Borrower. Approximately 4½ floors of the Project will be leased to KONE Inc., a Delaware corporation ("KONE") which intends to use the building as its American operational center. Other portions of the Project will be leased to and used by various retail and other commercial tenants. It is expected that one floor of the Project will be sold as multi-family condominiums; however, such portion will not be financed with proceeds of the Bonds.

Preliminary Estimated Project Cost:

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

ECONOMIC DISCLOSURE STATEMENT

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

Project name: The KONE Centre Building
Location: One KONE Court (SE corner of 17th Street and 2nd Avenue), Moline, IL
Borrower: KONE Centre Investment Fund, LLC (Borrower on IFA Bonds purchased by US Bank, N.A.)
Organization: Missouri Limited Liability Company

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

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

Project Owner/ Developer/ QALICB: **Financial District Properties KP, LLC** will become the direct Owner and Debt Obligor on the Project after completion of the 7-year NMTC Compliance Period. Financial District Properties will be the Qualified Business (i.e., "**QALICB**") associated with this New Markets Tax Credit transaction.
Owners: Rodney Blackwell (80%); Roy Carver (20%)

PROFESSIONAL & FINANCIAL

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

Supplemental Financial Participant List:

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

LEGISLATIVE DISTRICTS

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

CONDUIT

ILLINOIS FINANCE AUTHORITY

December 14, 2010

$4,100,000 (not-to-exceed amount)
Mayo Properties LLC (Moran Transportation Corporation Project)

REQUEST	**Purpose:** To enable **Mayo Properties LLC** ("**Mayo**" or the "**Borrower**") to finance all or a portion of the costs of the acquisition of land and the renovation, construction, and equipping of one or more buildings located at 2391-2425 Arthur Ave., Elk Grove Village (Cook County), IL 60007 and for the acquisition of equipment for use therein to be leased by **Moran Transportation Corporation** ("**Moran**", the "**Corporation**", the "**Project**" or the "**Company**") and used in the Company's warehousing, logistics, and trucking operations. Additionally, Bond proceeds may also be used to finance bond issuance costs. Mayo and Moran are affiliates with common shareholders. **Program:** Recovery Zone Facility Revenue Bonds **Recovery Zone Volume Cap required:** The Borrower has applied for and received an allocation commitment of a minimum of $4.10 million of unused and/or undesignated Recovery Zone Facility Revenue Bond allocations waived by various counties or municipalities to the Illinois Finance Authority. (An additional allocation commitment may be available subject to availability if needed.) No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	Final Bond Resolution requested. Preliminary Bond Resolution approved 11/9/2010: Ayes: 11 Nays: 0 Abstentions: 0 Absent: 4 (Bronner; DeNard; Herrin; Fuentes) Vacancies: 0
MATERIAL CHANGES	No material changes in structure (has obtained RZFB volume cap commitment from IFA).

JOBS DATA				
	111	Current jobs	39	New jobs projected
	N/A	Retained jobs	15 (6 months)	Construction jobs projected

BORROWER DESCRIPTION	● Type of entity: Trucking, logistics, warehousing, and packaging/assembly ● Location: Elk Grove Village/Cook/Northeast ● Mayo, LLC is a Special Purpose Entity (SPE) formed by the principals of Moran Transportation Corporation that will own the Project as part of the proposed financing structure. ● The new Project will be leased to and used by Moran Transportation Corporation in their trucking, logistics, packaging and assembly business.
CREDIT INDICATORS	● Bonds will be purchased directly by First Midwest Bank as an investment. First Midwest Bank will be the Direct Purchaser/Lender.
STRUCTURE	Term: 20 years (it is anticipated that real estate will be amortized over up to 20 years and equipment over 7 years) Rate: The Bonds will be priced at a fixed rate estimated at a range of between 3.00% and 4.50% for an initial period of 5 years (and extendable thereafter in 5 years increments until the final maturity date in 20 years).

SOURCES AND USES				
	IFA Bonds	$4,080,000	Project Cost:	$6,237,000
	Equity	2,220,000	Costs of Issuance	63,000
	Total	**$6,300,000**	**Total**	**$6,300,000**

RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: Mayo Properties LLC (Moran Transportation Corporation Project)

STATISTICS

IFA Project:	I-RZ-TE-CD-8413	Amount:	$4,100,000 (not-to-exceed amount)
Type:	Recovery Zone Facility Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Elk Grove Village	County/ Region:	Cook / Northeast

BOARD ACTION

Final Bond Resolution

Conduit Recovery Zone Facility Revenue Bonds	No IFA funds at risk
Credit committee recommends approval	No extraordinary conditions

VOTING RECORD

Preliminary Bond Resolution approved 11/9/2010:
Ayes: 11 Nays: 0 Abstentions: 0 Absent: 4 (Bronner; DeNard; Herrin; Fuentes) Vacancies: 0

PURPOSE

To enable Moran Transportation Corporation to finance or refinance the purchase, renovation, expansion and equipping of an existing 35,500 SF warehouse/office building and trucking terminal, and to construct and equip an approximately 12,000 SF addition, including additional loading docks in Elk Grove Village. Additionally, Bond proceeds may also be used to finance Bond issuance costs.

IFA PROGRAM AND CONTRIBUTION

The Authority's Recovery Zone Facility Revenue Bond Program, authorized under the American Reinvestment and Recovery Act of 2009, provides tax-exempt financing for qualifying manufacturing, warehousing, distribution, and other commercial real estate projects.

VOLUME CAP

Volume Cap Required: This project will not use any of IFA's 2010 Private Activity Bond Volume Cap allocated for Industrial Revenue Bonds or Exempt Facilities Bond financings.

Because, this project will be financed as a Recovery Zone Facility Bond issue, this project is expected to require $4.080 million of Recovery Zone Facility Revenue Bond allocation.

Mayo/Moran has applied for and obtained a commitment of up to $4.10 million of Recovery Zone Facility Bond allocation from IFA.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds (IRB)	$ 4,080,000	**Uses:**	Project Costs	$ 6,237,000
	Equity	$ 2,220,000		Costs of Issuance	$ 63,000
	Total:	**$ 6,300,000**		**Total:**	**$ 6,300,000**

Equity for this project will be made by the principals and Moran Transportation, as required by First Midwest Bank, the proposed bond purchase (i.e., Direct Secured Lender/Bond Purchaser).

JOBS

Current employment:	111	Projected new jobs:	39
Jobs retained:	N/A	Construction jobs:	30 peak; 15 average (6 months)

FINANCING SUMMARY

Structure: Conduit Recovery Zone Facility Revenue Bonds that will be purchased and held as a direct investment by First Midwest Bank which serves as the secured lender to the Borrower and Moran Transportation Corporation.

Interest Rate: The Bonds will be priced at a fixed rate estimated at a range of between 3.00% and 4.50% for an initial period of 5 years (and extendable thereafter in 5 years increments until the scheduled final maturity date in 20 years).

Credit Rating: Not applicable. The Bonds will be purchased directly by First Midwest Bank (i.e., all Banks are considered Accredited Investors and satisfy IFA Bond Program Handbook requirements).

Bank Collateral: First Midwest Bank 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. Moran Transportation Corporation will be providing a corporate guarantee to further secure this obligation. Additionally, all loans by First Midwest Bank to Mayo Properties, LLC and Moran Transportation Corporation will be cross-collateralized and cross-defaulted.

Final Maturity Date: 20 Years on real estate assets (7 years on equipment assets, if applicable). Bond payments will be amortized over 20 years. (As contemplated, First Midwest Bank will have the option to extend and reset the interest rate on the Bonds every 5 years until the final maturity date.)

Anticipated Closing Date: December 29, 2010

Rationale: This project will enable Moran Transportation to add an additional facility in Elk Grove Village to expand its packaging, material handling, and trucking operation.

BUSINESS SUMMARY

Description: **Mayo Properties, LLC** ("**Mayo**" or the "**LLC**"), is an Illinois limited liability company established in April, 2003 under Illinois law by the principal shareholders of **Moran Transportation Corporation** (also, "**Moran", the "Corporation",** or the "**Company**"), an Illinois Corporation, as a special purpose entity to purchase and own real estate related to the subject facility to be financed by the subject bond issue. Mayo Properties will lease the new facility to Moran.

Both Moran Transportation Corporation and Mayo Properties are owned and managed by founder Michael J. Moran and his son Michael D. Moran. The Economic Disclosure Statement section of this report (see pp. 4-5) provides detailed ownership information on the Applicant and Tenant.

Background: Moran Transportation Corporation was originally established in 1980 in Elk Grove Village as a LTL ("less than load") carrier, serving the needs of local firms and generally providing deliveries within a 50 mile radius of Chicago. Over time, Moran added warehousing and distribution services and now serves companies throughout the Midwest through its Moran Distribution Centers, Inc. affiliate. Moran currently operates distribution/warehouse/terminal facilities located in Roscoe, Illinois (located in Winnebago County, between Rockford and Beloit, WI) and two facilities in Elk Grove Village (the new project will be the Company's second location in Elk Grove Village).

Moran handles all sales with an in-house sales force based in Elk Grove Village. Moran's web site is: www.morandist.com .

Rationale: Moran needs additional space to expand its capacity to better serve its customers. Additionally, the proposed expansion will also enable the Company to expand its operations at a location close to its existing Elk Grove Village headquarters/operations facility. Tax-Exempt Recovery Zone Facility Revenue Bond financing will enable Moran to finance this project at the lowest possible cost.

PROJECT SUMMARY (FOR PRELIMINARY BOND RESOLUTION)

Bond proceeds will be used by Mayo Properties LLC to finance a portion of the costs of (i) the acquisition of land and the purchase and renovation and equipping of an approximately 35,500 SF building located at 2391-2425 Arthur Ave., Elk Grove Village (Cook County), IL 60007-6014, and to (ii) finance construction of approximately 12,000 SF addition thereto and for the acquisition of equipment for use therein. Additionally, (iii) Bond proceeds may also be used to finance bond issuance costs.

The subject facilities will be leased by Mayo Properties LLC to Moran Transportation Corporation and used in Moran's warehousing, logistics, and trucking operation. Both Mayo Properties LLC and Moran Transportation Corporation are affiliated companies that have the same principal shareholders.

Estimated (New Money) project costs are as follows:

Land Acquisition	$2,200,000
Building Acquisition	2,500,000
Renovation/Construction of Addition	1,500,000
Equipment (both new and existing facility)	37,000
Total New Money Project Costs	**$6,237,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: Mayo Properties LLC, c/o Mr. Michael J. Moran, President, Moran Transportation Corporation, 1000 Estes Avenue, Elk Grove Village (Cook County), IL 60007; 847-439-0000; Email: mjmoran@morandist.com
Website: www.morandist.com
Project name: Moran Distribution Corporation Project
Location: 2391-2425 Arthur Drive, Elk Grove Village (Cook County), IL 60007-6014

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: Mayo Properties LLC, an Illinois limited liability company, c/o** Moran Transportation Corporation, 1000 Estes Avenue, Elk Grove Village, IL 60007;
Members:
Michael J. Moran, Manager: 100.0%

(ii) Tenant/Operating Company/Co-Borrower:
Moran Transportation Corporation, an Illinois Corporation:
Michael J. Moran, President: 61.7%
Michael D. Moran, Vice President: 29.3%
The remaining shareholders consist of other members of the Moran family, each of whom own less than a 7.50% ownership interest in the Company and who are not involved in day-to-day management.

PROFESSIONAL & FINANCIAL

General Counsel:	Fisk, Kart, Katz and Regan, Ltd.	Chicago, IL	James Regan
Accountant:	Craig & Associates	Northbrook, IL	Marcia Craig
Bank/Bond Purchaser:	First Midwest Bank	Chicago, IL	Henry Sobotka
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Bank Counsel:	Ice Miller LLP	Lisle, IL	Laurie Miller
Bond Trustee:	Not applicable (Bank Direct Purchase)		
General Contractor/ Architect:	Richard Carl Smith	Barrington, IL	Richard Smith
Rating Agency:	Not applicable (Bank Direct Purchase)		
IFA Counsel:	Tyson Strong Hill Connor LLP	Chicago, IL	Lance Tyson
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	6	Peter J. Roskam
State Senate:	33	Dan Kotowski
State House:	66	Mark Walker

CONDUIT

December 14, 2010

$3,500,000 (not-to-exceed amount)
1200 Internationale Parkway LLC and/or 4580 Weaver LLC (MicroSun Technologies LLC Project)

REQUEST	**Purpose:** Bond proceeds will be used to: (i) enable **1200 Internationale Parkway LLC** (collectively with 4580 Weaver LLC, the "**Borrowers**") to finance the acquisition, renovation, construction, and equipping of an approximately 98,500 SF industrial/warehousing building located in Woodridge, Illinois for a facility that will be leased to MicroSun Technologies, LLC, ("**MicroSun**") an affiliated company under common ownership to be used in connection with its business of designing and manufacturing rechargeable batteries, chargers, and power supplies for portable devices, and, prospectively, to other unaffiliated users; (ii) enable **4580 Weaver LLC** (together with 1200 Internationale Parkway LLC, the "**Borrowers**") to finance the acquisition and renovation of an approximately 48,000 SF building located at 4580 Weaver Road, Warrenville, Illinois to be leased by 4580 Weaver LLC to **Phonak LLC** (an unaffiliated company) for use in the manufacturing of hearing and communication solutions, and (iii) pay all or a portion of the costs of issuance for the Bonds. Additionally, portions of the subject properties may be leased to unrelated third parties. **Program:** Recovery Zone Facility Revenue Bonds **Recovery Zone Volume Cap required:** The Borrowers have applied for and received an allocation commitment of a minimum of $3.50 million of unused and/or undesignated Recovery Zone Facility Revenue Bond allocations waived by various counties or municipalities to the Illinois Finance Authority. (An additional allocation commitment may be available subject to availability if needed.) No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	Final Bond Resolution (One-time approval)
MATERIAL CHANGES	Not applicable. This is the first time this project has been presented to the IFA Board.
JOBS DATA	103 Current jobs; 80 New jobs projected N/A Retained jobs; 20-30 (2 months) Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: Designs, manufactures and distributes rechargeable battery systems. ● Locations: (1) Woodridge and (2) Warrenville / DuPage / Northeast ● 1200 Internationale Parkway LLC and 4580 Weaver LLC are both Special Purpose Entities (SPEs) formed by the principals of MicroSun Technologies LLC to own the subject projects as part of the proposed financing structure. ● Building uses: (1) The 1200 Internationale Parkway facility in Woodridge will be leased to MicroSun Technologies LLC, a company affiliated through common ownership and to unrelated third party users. (2) The 4580 Weaver Road facility in Warrenville will be leased to Phonak LLC, an unaffiliated Swiss-based manufacturer of hearing aid and communications products.
CREDIT INDICATORS	● Bonds will be purchased directly by The Northern Trust Company as an investment. The Northern Trust Company 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 3.00% and 4.50% for an initial period of 5 years (and extendable thereafter in 5 years increments until the final maturity date in 25 years).
SOURCES AND USES	IFA Bonds $3,500,000 — Project Costs: $6,376,000 Equity 2,956,000 — Costs of Issuance 80,000 **Total $6,456,000** — **Total $6,456,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: 1200 Internationale Parkway LLC and/or 4580 Weaver LLC (MicroSun Technologies LLC Project)

STATISTICS

IFA Project:	I-RZ-TE-CD-8422	Amount:	$3,500,000 (not-to-exceed amount)
Type:	Recovery Zone Facility Revenue Bonds	IFA Staff:	Rich Frampton
Locations:	Woodridge and Warrenville	County/ Region:	DuPage / Northeast

BOARD ACTION

Final Bond Resolution (One-Time Approval)
Conduit Recovery Zone Facility Revenue Bonds — No IFA funds at risk
Credit Review 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 MicroSun Technologies LLC to expand and consolidate its existing Lisle and Boulder City, NV locations at a single site in Illinois. Bond proceeds will finance the acquisition, renovation, and equipping of an approximately 98,500 SF industrial/warehousing building located in Woodridge, Illinois and to pay bond issuance costs. Portions of the facility not immediately used by MicroSun may be leased to unaffiliated third party tenants to be determined. Additionally, Bond proceeds may also be used to finance the acquisition and renovation of an existing 48,000 SF office/warehouse facility located in Warrenville, Illinois to be leased by Phonak LLC.

IFA PROGRAM AND CONTRIBUTION

The Authority's Recovery Zone Facility Revenue Bond Program, authorized under the American Reinvestment and Recovery Act of 2009, provides tax-exempt financing for qualifying manufacturing, warehousing, distribution, and other commercial real estate projects.

VOLUME CAP

Volume Cap Required: This project will not use any of IFA's 2010 Private Activity Bond Volume Cap allocated for Industrial Revenue Bonds or Exempt Facilities Bond financings.

The Borrowers have applied for and received an allocation commitment of a minimum of $3.50 million of unused and/or undesignated Recovery Zone Facility Revenue Bond allocations waived by various counties or municipalities to the Illinois Finance Authority. (An additional allocation commitment may be available subject to availability if needed subject to IFA's RZFB Allocation Policy under IFA Resolution 2010-1012-AD16).

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds	$ 3,500,000	**Uses:**	Project Costs	$ 6,376,000
	Equity	$ 2,956,000		Costs of Issuance	$ 80,000
	Total:	**$ 6,456,000**		**Total:**	**$ 6,456,000**

JOBS

Current employment:	103	Projected new jobs:	80
Jobs retained:	N/A	Construction jobs:	20-30 (2 months)

MicroSun anticipates that 40 of the 80 projected new jobs will be associated with the relocation of the Company's Boulder City, NV and consolidation into an expanded Illinois facility that will be financed with proceeds of the subject bond issue.

FINANCING SUMMARY

Structure: Conduit Recovery Zone Facility Revenue Bonds that will be purchased and held as a direct investment by The Northern Trust Company which serves as the secured lender to the Borrowers and MicroSun Technologies LLC, the operating company.

Interest Rate: The Bonds will be priced at a fixed rate estimated at a range of between 3.00% and 4.50% for an initial period of 5 years (and extendable thereafter in 5 years increments until the final maturity date in 25 years).

Credit Rating: Not applicable. The Bonds will be purchased directly by The Northern Trust Company (i.e., all Banks are considered Accredited Investors pursuant to IFA's Bond Program Handbook).

Bank Collateral: It is expected that The Northern Trust Company will be secured by a first mortgage on the subject property, a first lien on any financed equipment, and a collateral assignment of Rents and Leases. MicroSun Technologies LLC will be providing a guarantee to further secure this obligation. Additionally, all loans by The Northern Trust Company to 1200 Internationale Parkway LLC, MicroSun Technologies LLC, 4580 Weaver LLC, and any other affiliates will be cross-collateralized and cross-defaulted.

Final Maturity Date: 25 Years on real estate assets; 7 years on equipment assets. Bond payments will be amortized over 25 years. (As contemplated, The Northern Trust Company will have the option to extend and reset the interest rate on the Bonds every 5 years until final maturity.)

Anticipated Closing Date: December 29, 2010

BUSINESS SUMMARY – Add

Description/ Organization: **1200 Internationale Parkway LLC** (the "**Internationale LLC**"), is an Illinois limited liability company established under Illinois law by the principal shareholders of **MicroSun Technologies LLC** ("**MicroSun"** or the "**Operating Company**"), also an Illinois limited company, as a special purpose entity to purchase and own real estate related 1200 Internationale Parkway in Woodridge, Illinois. 1200 International Parkway LLC will lease the new facility to MicroSun.

MicroSun is 100%-owned by members of the Elshafei family.

4580 Weaver LLC (the "**Weaver LLC**"), is an Illinois limited liability company established under Illinois law by the principal shareholders of MicroSun as a special purpose entity to purchase and own real estate related to 4580 Weaver in Warrenville, Illinois that will be leased to Phonak, LLC, an unaffiliated Swiss-based manufacturer and distributor of hearing aid and communications products.

Both Internationale LLC and Weaver LLC (the Borrowers) are 99%-owned by members of the Elshafei family. The Economic Disclosure Statement section of this report (see pages 5-6) provides specific ownership information.

MicroSun History: MicroSun was established in 2003 in response to the changing needs of the stored energy products (i.e., battery) market. MicroSun's in-house engineering capabilities and knowledge regarding battery design engineering and manufacturing provided the Company with an opportunity to develop a market niche.

MicroSun designs and manufactures rechargeable batteries for portable devices including computer, medical, and military applications. MicroSun employs approximately 70 production employees who assemble rechargeable battery packs for customer applications. According to the Company, MicroSun acquires battery cells from several suppliers, engages third party plastic molders to fabricate plastic parts, and purchases some circuit boards (those not manufactured in Boulder City, Nevada) from unaffiliated companies. All components are assembled, tested, and programmed by MicroSun personnel for user applications.

MicroSun has posted steady growth since its inception and has grown into a company that presently employs 125 professional and production/manufacturing employees. MicroSun purchased its existing facility in Lisle in 2006 where it designs and assembles rechargeable battery systems.

In 2007, MicroSun acquired a circuit board manufacturer located in Boulder City, Nevada that employs approximately 40 people.

MicroSun ultimately intends to consolidate and expand its Lisle and Nevada operations at the subject 98,500 SF facility in Woodridge, Illinois.

MicroSun sells its products through both a dedicated in-house sales force and regional sales reps located through the U.S. and Canada.

MicroSun's web site is: http://www.microsuntech.com/index.html .

Building Tenants and Use Plan: MicroSun is acquiring the subject 98,500 SF facility in preparation of future expansion needs.

MicroSun anticipates that they will initially occupy approximately 50,000 SF, with the remaining space leased out to various office and warehousing tenants under 1-3 year lease terms.

Currently, the only tenant in the building is CH Robinson Worldwide, a publicly-traded company (NASDAQ ticker symbol: CHRW) that provides logistics services in the trucking and freight transportation industries. CH Robinson currently leases approximately 16,700 SF, with a lease scheduled to expire in October 2011 (with two subsequent three-year renewal options). Separately, CH Robinson employs 130 people at the facility currently.

MicroSun would approximately 31,800 SF to lease in the facility to other third party users.

Rationale: MicroSun needs additional space to consolidate its Lisle, Illinois battery design/assembly and Boulder City, Nevada circuit board manufacturing operation. This project will also provide MicroSun with the ability to expand its future operations without the need to relocate.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used to finance a portion of the costs of (i) the acquisition, renovation, and equipping of an existing 98,500 SF office/warehouse facility located on an approximately 10.04 acre site at 1200 Internationale Parkway in Woodridge (DuPage County), Illinois 60517-4910 that will be owned and leased by 1200 Internationale Parkway LLC and leased to an affiliated company (i.e., MicroSun Technologies LLC) and, prospectively, other unrelated third party tenants, (ii) the acquisition and renovation of an approximately 48,000 SF building located at 4580 Weaver Road, Warrenville, Illinois to be leased by 4580 Weaver Road LLC (an affiliate of 1200 Internationale Parkway LLC and MicroSun Technologies, LLC) to Phonak LLC to be used in the manufacture of hearing and communication solutions, and (iii) to prospectively pay all or a portion of the costs of issuance for the Bonds. The owners and operators of the facilities being financed or refinanced with Bond proceeds are (a) 1200 Internationale Parkway LLC and/or 4580 Weaver Road LLC and/or MicroSun Technologies, LLC and (b) Phonak LLC.

Estimated (New Money) project costs are as follows:

Land and Building Acquisition – 1200 Internationale Parkway and 4580 Weaver	$5,253,000
Renovations	1,093,000
Equipment (both new and existing facility)	30,000
Total New Money Project Costs	**$6,376,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: 1200 Internationale Parkway LLC and/or 4580 Weaver LLC, c/o Mr. Thomas Golab, Vice President, MicroSun Technologies LLC, 1925 Ohio Street, Lisle (DuPage County), IL 60532-2389; Ph.: 630-968-5000, ext. 339; E-mail: tgolab@microsuntech.com

Project name: MicroSun Technologies LLC

Locations: 1200 Internationale Parkway, Woodridge (DuPage County), IL 60517-4910
4580 Weaver Road, Warrenville (DuPage County), IL 60555-4027

Ownership Information: All management employees or individuals holding a 7.5% or greater ownership interest in the Applicant and the Borrowers are listed below:

(i) Applicants: (a) **1200 Internationale Parkway LLC, an Illinois limited liability company, and (b) 4580 Weaver LLC, c/o MicroSun Technologies LLC, 1925 Ohio Street, Lisle, IL 60532:**
Members and Membership Interests for both LLCs:
Alan Elshafei, Manager: 5.0%
Nancie Elshafei, Member: 5.0%
Children of Mr. and Mrs. Elshafei (minors): 90.0%

(ii) Tenant/Operating Company:
MicroSun Technologies LLC, 1925 Ohio Street, Lisle, IL 60532:
Alan Elshefei, CEO: 95.0%
Nancie Elshafei, CFO: 5.0%

Unrelated Third Party Tenant Information: The subject facility has one existing tenant whose lease current expires in October 2011:

Unrelated Third Party Tenants:

1. **At 1200 Internationale Parkway facility:** CH Robinson Worldwide, Inc., is a public company traded on NASDAQ (Ticker Symbol: CHRW).

SEC Disclosure of owners of 5.0% or greater include the following institutional investors as of 9/30/2010:

PRIMECAP Management Company, an investment management company for Mutual Funds based in Pasadena, CA	7.1%
Fidelity Management & Research, an investment management company for the Fidelity family of mutual funds, based in Boston, MA	6.6%

2. **At 4580 Weaver LLC:** Phonak, LLC would be the tenant.

Phonak, LLC is a Swiss-based manufacturer and distributor of hearing aid products.

Phonak is a wholly-owned US-based operating subsidiary of **Sonova Holding AG**, a Swiss-based holding company formed in August 2007 as the successor to Phonak Holding AG.

As a foreign-based company, no additional ownership disclosure is required pursuant to IFA Board Policy (although Sonova's 3/31/2010 annual report an affiliate of Fidelity Management & Research (i.e., FMR LLC), owned 5.12% of Sonova's stock as of 3/31/2010).

PROFESSIONAL & FINANCIAL

General Counsel:	Coman & Anderson	Lisle, IL	William Cotter
Accountant:	Miriani & Associates, Ltd.	Naperville, IL	
Bank/Bond Purchaser:	The Northern Trust Company	Chicago, IL	Alan Ambrose
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Bank Counsel:	Ice Miller LLP	Lisle, IL	David Hight
Bond Trustee:	Not applicable (Bank Direct Purchase)		
Rating Agency:	Not applicable (Bank Direct Purchase)		
IFA Counsel:	Tyson Strong Hill Connor	Chicago, IL	Lance Tyson
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Woodridge: 1200 Internationale Parkway

Congressional:	13	Judy Biggert
State Senate:	41	Christine Rodogno
State House:	82	Jim Durkin

Warrenville: 4580 Weaver

Congressional:	13	Judy Biggert
State Senate:	48	Randall M. "Randy" Hultgren
State House:	96	Darlene T. Senger

CONDUIT

ILLINOIS FINANCE AUTHORITY

December 14, 2010

$10,000,000
Rochelle Energy Center, LLC

REQUEST	**Purpose**: To enable **Rochelle Energy Center, LLC** (the "Borrower") to finance, refinance, or reimburse a portion of the costs of development, construction and equipping of a new gas-to-energy facility producing 4.8 MW hourly, on the approximately 2.17 acre Rochelle Municipal Landfill No. 2 site located at 6513 South Mulford Road in Rochelle, Illinois. Additionally, Bond proceeds may be used to pay costs of issuance (the "**Project**"). **Project:** To enable Rochelle Energy Center, LLC, an affiliate of **William Charles, LTD.** of Rockford, Illinois ("**William Charles**"), to expand its gas-to-power generation operations through construction of a new gas-to-energy facility located at Rochelle Municipal Landfill No. 2, a landfill facility owned by the City of Rochelle and operated by affiliates of William Charles, LTD. (the "**Project**"). Electric power generated by the Project will be purchased by the City of Rochelle pursuant to a Power Purchase Agreement executed with the Borrower. **Program:** Recovery Zone Facility Revenue Bonds **Recovery Zone Volume Cap required:** Under the 2009 American Reinvestment Act and Recovery Act ("ARRA"), Recovery Zone Facility Bond ("RZFB") allocations from Illinois counties and large municipalities may be aggregated. Rochelle Energy Center's financing team has already obtained $3.834 million of Recovery Zone Facility Revenue Bond Volume Cap from Jo Daviess County and $4.409 million of Recovery Zone Facility Revenue Bond Volume Cap from Ogle County, along with a tentative commitment from Lee County. The balance (i.e., a maximum of $1.757 million) would be provided by transferred RZFB allocations obtained directly by IFA. (Under ARRA, authority to issue tax-exempt bonds for projects under the Recovery Zone Facility Bond Volume Cap will expire after 12/31/2010.) No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	Final Bond Resolution (One-time approval) This is the first time this project has been considered by the IFA Board of Directors.
MATERIAL CHANGES	Not applicable.
JOB DATA	1 Current jobs; 0 New jobs projected N/A Retained jobs; 10 (8 months) Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: Landfill gas-to-electric power generating facility ● Location: Rochelle/Ogle/Northern Stateline ● The Borrower, a Special Purpose Entity (SPE) formed specifically to own, develop, construct, finance, and operate the subject project by William Charles, LTD., and affiliates. ● The new facility will be based upon a 12-year take-or-pay (i.e., the Buyer pays the Seller for the contract output irrespective of whether or not they actually take the electricity) Power Purchase Agreement with the City of Rochelle (on behalf of Rochelle Municipal Utilities, the city-owned electric utility that provides electricity to residences and business located throughout the City of Rochelle).
CREDIT INDICATORS	● Bonds will be purchased directly by GE Government Finance, Inc. as an investment. GE Government Finance will be the Direct Purchaser/Lender.
STRUCTURE	Term: 10 years Rate: Bonds will bear a fixed interest rate to maturity current estimated to range between 4.00% and 5.00%.

SOURCES AND USES

IFA Bonds	$10,000,000	Project Cost:	$10,868,000
Equity	1,000,000	Costs of Issuance	132,000
Total	**$11,000,000**	**Total**	**$11,000,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: Rochelle Energy Center, LLC

STATISTICS

IFA Project:	I-RZ-TE-CD-8418	Amount:	$10,000,000 (not-to-exceed amount)
Type:	Recovery Zone Facility Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Rochelle (Creston)	County/ Region:	Ogle / Northern Stateline

BOARD ACTION

Final Bond Resolution (One-time approval)
Conduit Recovery Zone Facility 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

Development of this project will eliminate flare-off of waste methane gas at Rochelle Municipal Landfill No. 2 and finance facilities that will generate electric power from this sub-pipeline quality methane. Power generated by the subject project will be purchased by the City of Rochelle and its city-owned electric power utility (i.e., Rochelle Municipal Utilities). Various affiliates of William Charles, LTD., own the Rochelle Landfill and will also own, construct, develop, finance, and operate the proposed landfill methane gas-to-energy facility.

IFA PROGRAM AND CONTRIBUTION

The Authority's Recovery Zone Facility Revenue Bond Program, authorized under the American Reinvestment and Recovery Act of 2009, provides tax-exempt financing for qualifying manufacturing, warehousing, distribution, and other commercial real estate projects.

VOLUME CAP

Volume Cap Required: This project will not use any of IFA's 2010 Private Activity Bond Volume Cap allocated for Industrial Revenue Bonds or Exempt Facilities Bond financings.

Because this project will be financed as a Recovery Zone Facility Bond issue, this project is expected to require $10 million of Recovery Zone Facility Revenue Bond allocation.

Rochelle Energy Center and their financing team have already obtained $3.834 million of Recovery Zone Facility Revenue Bond Volume Cap from Jo Daviess County and $4.409 million of Recovery Zone Facility Revenue Bond Volume Cap from Ogle County for this project. The Borrower has also applied for and received a commitment for an allocation of IFA RZFB Volume Cap to enable up to $10 million of Bonds to be issued for this project (presently, the estimated IFA allocation required for this Project totals $1.757 million).

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds (RZFBs)	$ 10,000,000	**Uses:**	Project Costs	$ 10,868,000
	Equity	$ 1,000,000		Costs of Issuance	$ 132,000
	Total:	**$ 11,000,000**		**Total:**	**$ 11,000,000**

JOBS

Current employment:	1	Projected new jobs:	0
Jobs retained:	N/A	Construction jobs:	10 FTE

FINANCING SUMMARY

Structure:	The proposed Recovery Zone Facility Revenue Bonds will be purchased directly by GE Government Finance, Inc., or its assignee (an Accredited Investor as defined in Section 501 of Regulation D of the Securities Act of 1933), as the Direct Lender/Purchaser.
Interest Rate:	The Bonds will bear a fixed interest rate currently estimated at between 4.00% and 5.00%.
Lender/Bond Purchaser	
Collateral:	Based on lender collateral on similar transactions, GE Government Finance, Inc. is expected to be secured by a Collateral Assignment of the Power Purchase Agreement, an assignment of a leasehold mortgage and liens on other project collateral, and a corporate guarantee from William Charles, LTD.
Maturity:	10 Years (Note: the Borrower has executed a 12-year take-or-pay electric Power Purchase Agreement with the City of Rochelle for resale by Rochelle's city-owned electric power utility company to residential, commercial, and industrial users.)
Closing:	December 22, 2010

BUSINESS SUMMARY

Description: **Rochelle Energy Center LLC** ("**LLC**" or the "**Borrower**"), is a Delaware limited liability company established in August 2010 to develop the subject landfill gas-to-energy facility project. The Borrower is an affiliate of **William Charles, LTD. ("William Charles" or the "Corporate Guarantor")**, an Illinois corporation with common shareholders/members.

The Rochelle Energy Center will be located at Rochelle Municipal Landfill No. 2, a landfill facility owned by the City of Rochelle and operated by **Rochelle Waste Disposal, LLC**, a joint venture between affiliates of William Charles, LTD., and **Rochelle Disposal, Inc.** (a privately-owned solid waste scavenger/disposal service company based in Rochelle, Illinois).

Ownership disclosure information on (1) Rochelle Energy Center, LLC (Borrower), (2) William Charles, LTD. (Corporate Guarantor), (3) Rochelle Waste Disposal, LLC (a joint venture between affiliates of William Charles, LTD., and Rochelle Disposal, Inc.), and (4) Rochelle, Disposal, Inc., are detailed in the Economic Disclosure Statement (see pages 5-6).

Background on Project Owner/ Operator of Rochelle Energy Center, LLC:

William Charles, LTD. and its affiliates are a group of companies based in Rockford (Winnebago County) that are engaged in construction, waste management, and real estate development in Northern Illinois and the State of Washington. (Affiliates include: Ragnar Benson, LLC; Structors Inc.; William Charles Construction Company LLC; Winnebago Landfill Company LLC; Rock River Environmental Services Inc. and its subsidiaries; Johnston Quarry Holdings, LLC; and, as a result of the subject project, Rochelle Energy Center, LLC.)

The Rochelle Energy Center project will be located at the Rochelle Municipal Landfill No. 2, a landfill facility in operation since approximately 1974 that is owned by the City of Rochelle and operated by Rochelle Waste Disposal, LLC, an affiliate of William Charles, LTD. and Rochelle Disposal, Inc. The Rochelle Landfill is located just east of Rochelle near the I-39/Illinois 38 interchange.

The original company that evolved into William Charles, LTD., was a stone quarry in the greater Rockford area in 1892.

Prior Experience Constructing Landfill Gas-to-Energy Facilities:

The new gas-to-energy facility located at Rochelle Municipal Landfill No. 2 will represent William Charles' second landfill gas-to-electric power generating facility.

William Charles' first landfill gas-to-electric power generating facility was developed at its owned-and-operated (by affiliates) Winnebago Landfill located near Lindenwood, Illinois in Ogle County.

The Winnebago Landfill is a 6.4 MWh Gas-to-Energy facility was placed in service in 2007 and is currently generating electric power 24 hours/day and 7 days/week, and according to the Borrower and generates enough electricity to power 5,000 homes.

The Winnebago Landfill Gas-to-Energy Facility was constructed by Ragnar Benson Construction of Park Ridge, Illinois. Ragnar Benson is also an affiliate of William Charles, LTD.

Please see: http://www.williamcharlesenergy.com/portfolio/winnebago/energy.aspx for more information on the Winnebago Landfill Gas-to-Energy Facility.

Because the subject landfill facility is owned by the City of Rochelle, the key structuring element of this financing is a 12-year take-or-pay Power Purchase Agreement between Rochelle Energy Center, LLC, and the City of Rochelle, an Illinois municipal corporation.

For more information on William Charles, LTD., please see: www.williamcharles.com.

Rationale: Development of this project will enable the City of Rochelle to obtain electric power for its city-owned electric generated from sub-pipeline quality methane generated at its city-owned landfill facility. Power generated by the subject project will be used by its city-owned electric utility (Rochelle Municipal Utilities).

The proposed project will enable the Borrower to produce approximately 4.8 MWh, estimated as sufficient to power approximately 3,750 homes. The Project will be connected directly to a local distribution system and sold Rochelle Municipal Utilities, a city-owned utility company. The Project will enable the City of Rochelle to use waste landfill gas generated by its city-owned landfill (currently flared off) and convert it into a source of electricity for its city-owned electric power utility.

The proposed Recovery Zone Facility Revenue Bond financing will enhance the economic viability of this project.

The landfill has an expected capacity of 20 years. The landfill is expected to continue to generate methane in volumes sufficient to provide electric power for an additional 20 years after the landfill reaches full capacity.

PROJECT SUMMARY

Bond proceeds will be combined with other funds and owner equity by Rochelle Energy Center, LLC, to finance costs of development, construction and equipping of a new gas-to-energy facility at 6513 South Mulford in Rochelle (Ogle County), Illinois. Additionally, Bond proceeds will be used to pay bond issuance costs.

Estimated (New Money) project costs are as follows:

New Construction, Site Construction/ Preparation	$5,000,000
New Machinery & Equipment	6,000,000
Total New Money Project Costs	**$11,000,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: Rochelle Energy Center, LLC, c/o Mr. Jeffrey W. Gregory, President, William Charles Energy, LLC, 5450 Wansford Way, Rockford, IL 61109; Ph: 815-963-7546
E-mail: jgregory@williamcharlesenergy.com
Website: www.williamcharlesenergy.com
Guarantor website: www.williamcharles.com
Project name: Rochelle Energy Center, LLC Project.
Location: 6513 Mulford Road, Rochelle (Ogle County), IL

Borrower and Corporate Ownership Information: All management employees holding a 7.5% or greater ownership interest in the Borrower are listed below:

Borrower: Rochelle Energy Center, LLC, a Delaware limited liability:

Members:

1. **William Charles Energy, LLC, an Illinois limited liability company: 0.01%, Manager: Mulford Operations and Management, LLC, c/o Mr. Jeffrey Gregory, Manager.**

   Contact: Mr. Jeffrey Gregory, President, William Charles Energy, 5450 Wansford Way, Rockford, IL 61109; Ph: 815-963-7546.

2. **William Charles, LTD., an Illinois corporation – 16.67%: 1401 N. Second Street, Rockford, Illinois 61107-3044; Phone: 815-963-7400. T**he principal shareholders of William Charles, LTD. are members of the families of Mr. Charles J. Howard, Chairman, of Machesney Park, IL and Mr. Nathan J. Howard, President, of Rockford, IL.

   The officers of William Charles, LTD. are: Nathan Howard, President; John Holmstrom, Vice President; and Secretary/Treasurer Wayne Schwalen.

   The Directors are: Mr. Nathan J. Howard and Mr. Wayne Schwalen, Secretary/Treasurer.

   Contact: William Charles, LTD., 1401 N. Second Street, Rockford, IL 61107-3044. Phone: 815-963-7400

   Note: William Charles, LTD. is also expected to be a Corporate Guarantor on behalf of Rochelle Energy Center, LLC on this financing.

3. **Charles J. Howard 2000 DYN Trust (Trustees: Nathan J. Howard and John Holmstrom) – 66.66%, c/o William Charles, LTD., 1401 N. Second Street, Rockford, IL 61107-3044. Phone: 815-963-7400.** The principal beneficiaries are members of the Charles J. Howard family of Machesney Park, Illinois. Contact: William Charles, LTD., 1401 N. Second Street, Rockford, IL 61107-3044. Phone: 815-963-7400.

4. **William Charles Construction Company, LLC, an Illinois limited liability company: 16.66% – c/o William Charles Construction Company, LLC, 5290 Nimtz Rd., Loves Park, IL, 61111 Phone: 815-654-4700: RBT Management Company, Manager.** The officers of RBT Management Company are Nathan J. Howard and Wayne Schwalen.

   The officers of William Charles Construction Company, LLC are:
   Ben Holmstrom, President and CEO
   Tim Bridges, Executive VP
   Steve Peroni, VP
   Mark Rea, President – William Charles Electric
   John Holmstrom, VP
   Wayne Schwalen, Treasurer
   Troy Kutz, Sr. VP, William Charles Construction – Aggregates Division
   Jeff Potter, Secretary and Assistant Treasurer
   Paul Legg, VP-Operations
   Keith Larson, President – William Charles West (Heavy Construction)

Owners of Rochelle Municipal Landfill No. 2:	**The City of Rochelle**, a municipal corporation, 420 N. 6th Street, Rochelle, IL 60168; Ph.: 815-561-2000.
Background Disclosure Information on the Contract Manager of Rochelle Municipal Landfill No.2:	**Rochelle Waste Disposal, LLC**. The City of Rochelle has outsourced management of Rochelle Municipal Landfill No. 2 to Rochelle Waste Disposal, LLC since 1995. Rochelle Waste Disposal, LLC is an Illinois liability company that is owned by: 1. **William Charles, LTD. or its affiliates** (ownership information disclosed above) and 2. **Rochelle Disposal Inc.** is owned by Mr. and Mrs. Clyde Gelderloos, 1161 S. 7th Street, P.O. Box 268, Rochelle, IL 60168; Ph.: 815-562-4134.

PROFESSIONAL & FINANCIAL

General Counsel:	(In-house) William Charles, LTD.	Rockford, IL	Erik Lindberg
Accountant:	McGladrey & Pullen, LLP	Rockford, IL	Chuck Blomgren
Bond Purchaser/ Lender:	GE Government Finance, Inc.	Oak Brook, IL	Brian Riordan
Purchaser's/Lender's Counsel:	Kutak Rock LLP	Omaha, NE	Brad Nielsen
Bond Counsel:	Kutak Rock LLP	Omaha, NE	Lisa Peters
Paying Agent:	Deutsche Bank	Chicago, IL	
General Contractor:	Ragnar Benson Construction, LLC, an affiliate of William Charles LTD	Park Ridge, IL	
Rating Agency:	Not applicable (Lender Purchased Bonds)		
IFA Counsel:	Kevin Cahill, Esq.	Chicago, IL	Kevin Cahill
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	16	Donald A. Manzullo
State Senate:	35	J. Bradley Burzynski
State House:	70	Robert Pritchard

CONDUIT

December 14, 2010

$23,000,000 (not-to-exceed amount)
SMART Hotels/Olympia Chicago, LLC (Harper Court Hotel Project)

REQUEST

Purpose: Bond proceeds will be combined with other funds and be used by **SMART Hotels/Olympia Chicago, LLC** (the "**Borrower**") to finance a portion of the costs of acquiring land, and constructing and equipping a 6-story, 130-unit select-service hotel, that will be located near the northeast corner of East 52nd Place and South Harper Court in Chicago, Illinois 60615. Additionally, Bond proceeds may also be used to finance capitalized interest and to pay Bond issuance costs (the "**Project**"). (The Project will be one element of a mixed-use redevelopment project that will include 100,000 square feet of office space, 150,000 square feet of retail and rental units, and condominiums to be known as the Harper Court Project and financed separately from this Recovery Zone Facility Revenue Bond issue.)

Program: Recovery Zone Facility Revenue Bonds
Recovery Zone Volume Cap required: The City of Chicago approved Ordinance #SO 2010-5848 (an Ordinance Authorizing the Execution of a Redevelopment Agreement for Harper Court Partners LLC and Lake Park Associates), which included a provision waiving $20.0 million of the City's Recovery Zone Facility Revenue Bond allocation to the Illinois Finance Authority to enable financing of the subject Hotel project with up to $20.0 million of Tax-Exempt Recovery Zone Facility Revenue Bonds. No additional IFA RZFB Volume Cap will be required.
No IFA Funds at risk. No State Funds at risk.

BOARD ACTION

Final Bond Resolution (One-time approval)

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.

JOBS DATA

N/A	Current jobs	25-27 (FTE's)	New jobs projected
N/A	Retained jobs	75-125 (12-15 months)	Construction jobs projected

BORROWER DESCRIPTION

- Type of entity: Special purpose entity to develop, finance, construct, and operate the subject select service hotel facility
- Location: Chicago/Cook/Northeast
- SMART Hotels/Olympia Chicago LLC is a joint venture between SMART Hotels LLC of Beachwood, OH (www.smarthotelsgroup.com) and Olympia Hotel Management or Portland, ME (www.theolympiacompanies.com).

CREDIT INDICATORS

- The Bonds will be credit enhanced with a Guarantee by The University of Chicago (Aa1/AA/AA+) by Moody's/S&P/Fitch).

STRUCTURE

The Bonds will be privately placed by William Blair & Company to institutional investors based on the underlying guarantee from The University of Chicago.
Term: Not-to-exceed 40 years (it is anticipated that real estate will be amortized over up to 30 years and equipment over 7 years)
Rate: The Bonds are expected to bear a fixed rate between 4.00% and 5.00% and sold with a maximum final maturity of 30 years.

SOURCES AND USES

Sources:		**Uses:**	
IFA Bonds	$18,500,000	Project Costs	$26,234,000
City of Chicago	1,100,000		
Equity	6,984,000	Costs of Issuance	350,000
Total	**$26,584,000**	**Total**	**$26,584,000**

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: SMART Hotels/Olympia Chicago, LLC (Harper Court Hotel Project)

STATISTICS

IFA Project:	I-RZ-TE-CD-8424	Amount:	$23,000,000 (not-to-exceed amount)
Type:	Recovery Zone Facility Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Chicago	County/ Region:	Cook / Northeast

BOARD ACTION

Final Bond Resolution (One-Time Approval)
Conduit Recovery Zone Facility Revenue Bonds — No IFA funds at risk
Credit Review 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 finance construction and equipping of a new, select-service, 130-room hotel as part of the mixed-use Harper Court Development Project, located adjacent to The University of Chicago's Hyde Park campus near the intersection of East 52nd Place and South Harper Court.

IFA PROGRAM AND CONTRIBUTION

The Authority's Recovery Zone Facility Revenue Bond Program, authorized under the American Reinvestment and Recovery Act of 2009, provides tax-exempt financing for qualifying manufacturing, warehousing, distribution, and other commercial real estate projects.

VOLUME CAP

Volume Cap Required: This project will not use any of IFA's 2010 Private Activity Bond Volume Cap allocated for Industrial Revenue Bonds or Exempt Facilities Bond financings.

Because this project will be financed as a Recovery Zone Facility Bond issue, this project will require up to $20.0 million of Recovery Zone Facility Revenue Bond allocation.

The City of Chicago approved Ordinance #SO 2010-5848 (an Ordinance Authorizing the Execution of a Redevelopment Agreement for Harper Court Partners LLC and Lake Park Associates), which included a provision waiving $20.0 Million of the City's Recovery Zone Facility Revenue Bond allocation to the Illinois Finance Authority to enable financing of the subject Hotel project with up to $20.0 million of Tax-Exempt Recovery Zone Facility Revenue Bonds. No additional IFA RZFB Volume Cap will be required.

SOURCES AND USES OF FUNDS

Sources:			**Uses:**		
IFA Bonds	$	18,500,000	Project Costs	$	26,234,000
City of Chicago	$	1,100,000	Issuance Costs		350,000
Equity/Line Draws		6,984,000			
Total	**$**	**26,584,000**	**Total**	**$**	**26,584,000**

JOBS

Current employment:	N/A	Projected new jobs:	25-27
Jobs retained:	N/A	Construction jobs:	75-125 (12-15 months)

FINANCING SUMMARY

Structure/ Credit Enhancement: Conduit Recovery Zone Facility Revenue Bonds will be guaranteed by The University of Chicago and it is anticipated that the Bonds will be privately placed by William Blair & Company, LLC to a single institutional investor.

Interest Rate: The Bonds will be priced at a fixed rate estimated at between 4.00% and 5.00% for up to the anticipated 30 year final maturity date of the Bonds.

Credit Rating: Although The University of Chicago is rated Aa1/AA/AA+ (long-term) by Moody's/S&P/Fitch, the Bonds will be privately placed to an institutional investor (and sold without a rating).

Final Maturity Date: 30 Years on real estate assets; 7 years on equipment assets. (Note: The IFA Bond Resolution will enable a final maturity date of up to 40 years after the issuance date)

Anticipated Closing Date: December 30, 2010

BUSINESS SUMMARY

Description: **SMART Hotels/Olympia Chicago LLC** (the "**Borrower**"), is an Illinois limited liability company established under Illinois law as a special purpose entity to develop, construct, own, and operate a select service 130-room hotel located adjacent to The University of Chicago campus as part of the Harper Court Redevelopment Project.

The Borrower is a joint venture involving principals of **SMART Hotels, LLC** of Beachwood, OH (Jonathan Adams, President; Ed Small, Vice President) and **The Olympia Companies** of Portland, ME, which will manage the subject property. Additional ownership disclosure is described further in the Economic Disclosure Statement section of this IFA Board Summary Report (see p. 5).

Background on the Development Team: SMART Hotels, LLC was established in 2008 specifically to develop hotels on or near college and university campuses. The key principals of SMART Hotels have extensive experience in hotel development and management, new construction, and LEED Certification.

- Mr. Ed Small, President, has over 20 years experience in the development, financing, and operation of hotel, retail, office, and multi-family housing projects, particularly in urban infill and urban redevelopment projects with The Richard E. Jacobs Group in Cleveland. This experience led to his current focus on developing campus hospitality with SMART Hotels.
- Mr. Michael J. Licciardi has 30 years experience developing, financing, and operating hotel, retail, office, and mixed-use projects, including over 20 years experience at the Richard E. Jacobs Group where he established its Hotel Development and Management Division. Mr. Licciardi managed the construction, financing, and opening of 17 new hotels.

The Olympia Companies was originally established in 1969. The Olympia Companies has purchased, redeveloped and repositioned existing hotels and has also undertaken development of new hotels primarily in New England. The Olympia Companies currently manages over 1,600 rooms in four states, including several award-winning franchised properties operated as Hilton Garden Inns (Portland, ME and Portsmouth, NH); Hampton Inns (Portland, ME; North Conway, NH; Mystic CT); and Holiday Inn properties that have been awarded InterContinental Hotels Group's Torchbearer awards four time (4 locations in Maine; additional locations in Charlottesville, VA and Durham, NH).

Additionally, the Olympia Companies owns and operates The Inn by the Sea, a 4-Diamond-rated (AAA) resort property in Cape Elizabeth, ME, recognized as a Top 100 hotel by *Travel & Leisure* Magazine.

Olympia is currently developing three other hotels, including a 120-room Hilton Garden Inn in Durham, NC, a 103-unit Hampton Inn in Nashua, NH, and a 70-room hotel in Hanover, NH.

- Mr. Kevin Mahaney has served as President/CEO of The Olympia Companies since 1988 and has an MBA from the University of Chicago Graduate School of Business.

Background on the Harper Court Hotel Project:

The Project is a 130-room, six-story hotel to be constructed as part of the Harper Court Redevelopment, a mixed-use project that will include 100,000 SF of office space and 150,000 SF of retail space, and residential apartments and condominiums located adjacent to The University of Chicago in Hyde Park. Subsequent phases of the Harper Court redevelopment project are expected to include retail and residential condominium units.

The Harper Court Hotel project will be a select service (i.e., limited service) hotel. The development team anticipates affiliating through a franchising or licensing agreement with a select service brand associated with a national chain (e.g., Hilton Garden Inn; Hyatt Place; InterContinental's Hotel Indigo; Courtyard by Marriott; Four Points by Sheraton).

The Harper Court hotel will include a swimming pool, fitness center, meeting space, and a wine bar/restaurant. Additionally, approximately 4,500 SF of space will be available for lease to a proposed unaffiliated restaurant.

Rationale:

Development of the proposed Harper Court Hotel will provide a new select service local lodging option to serve The University of Chicago, The University of Chicago Medical Center and the Hyde Park submarket. Many visitors to the University of Chicago must travel to Downtown Chicago (approximately 9 miles north) or Midway Airport (approximately 7 miles west) to obtain lodging comparable to the proposed Harper Court Hotel facility.

The University of Chicago is supporting the development and financing of the subject Harper Court Hotel project as evidenced by its willingness to credit enhance the proposed bond issue financing this privately-owned and operated project.

As noted previously, the City of Chicago has supported the general development and IFA financing of the Harper Court Hotel Project by transferring $20.0 million of the City's Recovery Zone Facilities Revenue Bond allocation to IFA to enable the Authority to issue up to $20.0 million of RZFBs prior to 12/31/2010.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds will be used to by SMART Hotels/Olympia Chicago, LLC (the "Borrower") to finance a portion of the costs to (i) finance or reimburse the Borrower for the construction of a 130-room, 6-story hotel [to be constructed as a part of a mixed-use redevelopment project that will include 100,000 square feet of office space, 150,000 square feet of retail and rental units and condominiums that will be financed separately from the subject hotel project undertaken by the Borrower] to be located at the northeast corner of East 52nd Place and South Harper Avenue in Chicago, Illinois 60615, (ii) pay all or a portion of the costs of issuance for the Bonds, (iii) and to finance capitalized interest and certain reserves if deemed necessary and desirable by the Borrower.

The owner and operator of the facilities being financed or refinanced with the proceeds of the Bonds will be SMART Hotels/Olympia Chicago, LLC.

Estimated project costs are as follows:

Site Acquisition/Infrastructure	$3,500,000
Construction; Arch. & Engineering	19,990,000
Capitalized Interest and Reserves	2,000,000
Furniture, Fixtures & Equipment	600,000
Pre-Opening Expenses, Supplies	144,000
Total New Money Project Costs	**$26,234,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: SMART Hotels/Olympia Chicago LLC, c/o Mr. Ed Small, Vice President, SMART Hotels LLC, 3201 Enterprise Parkway, Suite 140, Beachwood, OH 44122; Ph.: 216-468-3030; E-mail: esmall@smarthotelsgroup.com

Project name: Harper Court Hotel Project

Location: NE Corner of E. 52nd Street and S. Harper Court, Chicago (Cook County), IL 60615

Ownership Information: All management employees or individuals holding a 7.5% or greater ownership interest in the Applicant and the Borrower are listed below:

Applicant: SMART Hotels/Olympia Chicago LLC, an Illinois limited liability company:
Members (Owners) as of 11/10/2010:

- SHG Chicago, LLC, Manager: 20.0%
  Jonathan Adams, Manager (President): 50.0%
  Ed Small, Member (VP): 50.0%
- SMART Hotels Chicago, Member: 80.0%
  - Jonathan Adams, Manager: 100,0%

Current Land Owner: The University of Chicago (see current list of Board of Trustees on Pages 7-9 of this report. Or http://trustees.uchicago.edu/board/current.shtml)

PROFESSIONAL & FINANCIAL

General Counsel:	Levenfeld Pearlstein, LLC	Chicago, IL	David Berzon
Auditor:	To be determined		
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Underwriter/ Placement Agent:	William Blair & Company, LLC	Chicago, IL	Chuck Freeberg
Counsel to Placement Agent:	Pugh Jones Johnson & Quandt, P.C.	Chicago, IL	Scott Bremer
Credit Enhancer/ Guarantor:	The University of Chicago	Chicago, IL	
Counsel to Credit Enhancer/Guarantor:	DLA Piper	Chicago, IL	Jeffrey Owen
Bond Trustee:	Amalgamated Bank		
Management Company:	Olympia Hotel Management	Portland, ME	Kevin Mahaney
Architect:	Legat Architects	Chicago, IL	Alan Bombick
General Contractor:	To be determined		
IFA Counsel:	Mayer Brown LLP	Chicago, IL	David Narefsky
IFA Financial Advisor:	Acacia Financial Group	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

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

Seller/Guarantor Disclosure -- The University of Chicago - Current Board of Trustees

Andrew M. Alper

AB ’80, MBA ’81

Chairman

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Lab’77, AB’81, MBA’83

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CEO

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William Blair & Company, L.L.C.

Kenneth M. Jacobs

AB ’80

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Karen L. Katen

AB ’70, MBA ’74

Senior Advisor

Essex Woodlands Health Ventures

Dennis J. Keller

MBA ’68

Retired Chairman and CEO, Co-Founder

DeVry Inc.

Steven A. Kersten

JD ’80

President

Water Saver Faucet Company

James M. Kilts, Jr.

MBA ’74

Founding Partner

Centerview Partners

Thomas A. Reynolds III

Capital Partner

Winston & Strawn

John W. Rogers, Jr.

Lab ’76

Chairman and CEO

Ariel Capital Management, Inc.

Ariel Mutual Funds

Andrew M. Rosenfield

JD ’78

Managing Partner

Guggenheim Partners

David M. Rubenstein

JD ’73

Co-Founder and Managing Director

The Carlyle Group

Steve G. Stevanovich

AB ’85, MBA ’90

Chairman and President

SGS Group of Companies

Seller/Guarantor Disclosure -- The University of Chicago - Current Board of Trustees – Cont'd.:

James S. Crown *President* Henry Crown and Company	**Michael J. Klingensmith** AB '75, MBA '76 *Publisher and CEO* Minneapolis Star Tribune	**Mary A. Tolan** MBA '92 *Founder and CEO* Accretive Health
Katharine P. Darrow AB '65 *Retired Senior Vice President* The New York Times Company	**Michael L. Klowden** AB '67 *President and CEO* Milken Institute	**Byron D. Trott** AB '81, MBA '82 *Managing Partner* BDT Capital Partners
Craig J. Duchossois *Chief Executive Officer* The Duchossois Group, Inc.	**Robert W. Lane** MBA '74 *Retired Chairman* Deere & Company	**Marshall I. Wais** AB '63 *Chief Executive Officer* Marwais International LLC
James S. Frank *President and CEO* Wheels, Inc.	**Charles Ashby Lewis** *Chairman* Lewis-Sebring Family Foundation	**Gregory Westin Wendt** AB '83 *Senior Vice President* Capital Research Company
Jack W. Fuller *Retired President* Tribune Publishing Company	**John Liew** AB'89, MBA'94, PhD'95 *Co-Founder*- AQR Capital Management	**Jon Winkelried** AB '81, MBA '82 CEO JW Capital Partners, LLC
Timothy M. George BS '74, MBA '75 *Founding Partner* Greenhill & Company, LLC	**Peter W. May** AB '64, MBA '65 *President and Founding Partner* Trian Partners	**Paula Wolff** MA '69, PhD '72 *Senior Executive* Chicago Metropolis 2020

Seller/Guarantor Disclosure -- The University of Chicago - Current Board of Trustees – Cont'd.:

Rodney L. Goldstein

Chairman and Managing Director

Frontenac Company

Mary Louise Gorno

MBA '76

Managing Director

Hudson Highland, Inc.

Kathryn C. Gould

MBA '78

Founder and General Partner

Foundation Capital

Sanford J. Grossman

AB '73, AM '74, PhD '75

Chairman and CEO

QFS Asset Management, L.P.

King W. Harris

Chairman

Harris Holdings, Inc.

Joseph Neubauer

MBA '65

Chairman & CEO

ARAMARK Corporation

Emily Nicklin

AB '75, JD '77

Partner

Kirkland & Ellis LLP

Harvey B. Plotnick

AB '63

Former President and CEO

Paradigm Holdings Inc.

Michael P. Polsky

MBA '87

Founder, President, and CEO

Invenergy, LLC

Thomas J. Pritzker

MBA '76, JD '76

Chairman

Global Hyatt Corporation

Paul G. Yovovich

AB '74, MBA '75

President

Lake Capital

Francis T.F. Yuen

AB '75

Deputy Chairman

Pacific Century Regional Developments Ltd.

Robert J. Zimmer

President

The University of Chicago

IFA ILLINOIS FINANCE AUTHORITY

CONDUIT

December 14, 2010

$30,000,000 (not-to-exceed amount)
JH Naperville Hotel LLC (1801 N. Naper Blvd. Hotel Project)

REQUEST	**Purpose:** Bond proceeds will be combined with other funds and used by **JH Naperville Hotel LLC** (the "**Borrower**") to finance (i) a portion of the costs of acquiring, substantially renovating, and equipping an existing 7-story, 280,000 square foot, 426-room hotel facility located at 1801 N. Naper Blvd. in Naperville (DuPage County), IL 60563-1554. Additionally, Bond proceeds may be used to (ii) pay costs of issuance, if deemed necessary or desirable by the Borrower, (iii) finance capitalized interest, if deemed necessary or desirable by the Borrower, and (iv) capitalize certain reserves, if deemed necessary or desirable by the Borrower (and, collectively, the "**Project**"). The hotel is operating currently as a Holiday Inn Select. **Program:** Recovery Zone Facility Revenue Bonds **Recovery Zone Volume Cap required:** The Borrower has applied for and received an allocation commitment of $30.0 million of unused and/or undesignated Recovery Zone Facility Revenue Bond allocations waived by various counties or municipalities to the Illinois Finance Authority. No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	Final Bond Resolution (One-time approval) This is the first time this project has been presented to the IFA Board.
MATERIAL CHANGES	Not applicable.
JOBS DATA	N/A Current jobs — 143 (FTE's) New jobs projected N/A Retained jobs — 85 average; 125 peak (12-14 mo.'s) Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: Special purpose entity to develop, finance, renovate, and operate the subject 426-room full-service hotel and conference center ● Location: Naperville/DuPage/Northeast ● JH Naperville LLC is a joint venture between Janko Group LLC of Deerfield, IL (www.jankogroup.us) and Heitman Value Partners Fund II, an affiliate of Chicago-based Heitman Capital Management, an institutional real estate investment firm (www.heitman.com).
CREDIT INDICATORS	● The Borrower is a non-rated special purpose entity established to develop and own the subject redevelopment project. ● The Bonds will be non-rated and sold as a private placement to one or more institutional investors by William Blair & Company, LLC.
STRUCTURE	Although the Trust Indenture will allow for the Bonds to be structured as Multi-Modal Bonds, initially the Bonds will be sold in Private Placement Mode by William Blair & Company, LLC to institutional investors. IFA will require an Investor Letter while Bonds are in Private Placement Mode. Term: not-to-exceed 40 years (it is anticipated that real estate will be amortized over up to 30 years and equipment over 7 years) Rate: The initial Private Placement Mode rate will be set for 3 years from the date of closing and the Bonds are expected to bear a fixed interest rate of between 3.50% and 4.50%.
SOURCES AND USES	See table below
RECOMMENDATION	Credit Review Committee recommends approval.

SOURCES AND USES

Sources:		**Uses:**	
IFA Bonds	$30,000,000	Project Cost:	$42,592,120
Partner Equity/Line Draws	13,264,120	Costs of Issuance	770,000
Total	**$43,262,120**	**Total**	**$43,262,120**

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: JH Naperville Hotel LLC (1801 N. Naper Blvd. Hotel Project)

STATISTICS

IFA Project:	I-RZ-TE-CD-8421	Amount:	$30,000,000 (not-to-exceed amount)
Type:	Recovery Zone Facility Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Naperville	County/ Region:	DuPage / Northeast

BOARD ACTION

Final Bond Resolution (One-Time Approval)
Conduit Recovery Zone Facility 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 finance the acquisition, substantial renovation and equipping of an existing 426-room hotel facility (currently a Holiday Inn Select and constructed in 1980) into a full-service Marriott Hotel and Conference Center that will serve the western DuPage County sub-market. The subject hotel is the largest hotel facility located in the Naperville area.

IFA PROGRAM AND CONTRIBUTION

The Authority's Recovery Zone Facility Revenue Bond Program, authorized under the American Reinvestment and Recovery Act of 2009, provides tax-exempt financing for qualifying manufacturing, warehousing, distribution, and other commercial real estate projects.

VOLUME CAP

Volume Cap Required: This project will not use any of IFA's 2010 Private Activity Bond Volume Cap allocated for Industrial Revenue Bonds or Exempt Facilities Bond financings.

Because this project will be financed as a Recovery Zone Facility Bond issue, this project will require up to $30.0 million of Recovery Zone Facility Revenue Bond allocation.

JH Naperville Hotel LLC applied for, received, and accepted an allocation of $30 million of unused RZFB allocation transferred to IFA pursuant to procedures set forth in IFA Resolution 2010-1012-AD16 approved by the IFA Board of Directors on October 12, 2010.

Note: The Authority will be allocating unused RZFB allocations from Counties and Municipalities on a first-transferred, first-used basis. In accepting an RZFB allocation from IFA, each RZFB Borrower/Sub-Allocatee has agreed to consent to all requirements stipulated by the transferee (which frequently includes payment of a fee at closing in consideration for the RZFB reallocation used by the project).

SOURCES AND USES OF FUNDS

Sources:			Uses:		
IFA Bonds	$	30,000,000	Project Costs	$	42,494,120
Equity/Line Draws		13,264,120	Issuance Costs		770,000
Total	**$**	**43,264,120**	**Total**	**$**	**43,264,120**

JOBS

Current employment:	* N/A	Projected new jobs:	143
Jobs retained:	* N/A	Construction jobs:	85 average; 125 peak (12-14 months)

* This financing will enable the acquisition and renovation of an existing 426-room hotel property that was placed into receivership in March 2010. According to the Borrower, without substantial improvements and renovation, property performance deterioration could accelerate. The hotel will be closed for the estimated 12-14 month renovation.

FINANCING SUMMARY

Structure/ Credit Enhancement: Although the Trust Indenture will permit the sale of Multi-Modal Bonds, the Bonds will be sold initially in Private Placement Mode by William Blair & Company, LLC. IFA will require the purchaser(s) to execute an Investor Letter.

Interest Rate: The Bonds are expected to be sold initially in Private Placement Mode with an initial term of 3 years. The anticipated interest rate for this initial 3-year mode is expected to range between 3.50% and 4.50%. After the initial 3-year interest rate mode expires, the Borrower and their financing team will select the optimal interest rate mode based on performance of the property and market conditions at that time.

Credit Rating: The Bonds will be sold on a non-rated, unenhanced basis and, accordingly, will be privately placed to one or more institutional investors. The underlying Borrower is a non-rated entity.

Final Maturity Date: 30 Years on real estate assets; 7 years on equipment assets. (Note: The IFA Bond Resolution will enable a final maturity date of up to 40 years after the issuance date.)

Anticipated Closing Date: December 22, 2010

BUSINESS SUMMARY

Description: **JH Naperville Hotel LLC** (the "**Borrower**"), is a Delaware limited liability company established as a special purpose entity to develop, renovate, construct, own, and operate a full-service 462-room hotel located adjacent to the I-88/Naperville Road/Naper Blvd. interchange in Naperville.

The Borrower is a joint venture involving principals of **Janko Group LLC** ("**Janko Group**") of Deerfield, IL (Gary Janko, President) and affiliates of **Heitman Capital Management** ("**Heitman**") of Chicago, IL, a Chicago-based investment management firm.

Additional ownership information on the Borrower is described further in the Economic Disclosure Statement section of this IFA Board Summary Report (see pages 5-6).

Additional background information on the joint venture principals follows immediately below.

Background on the Development Team:

Janko Group LLC, based in Deerfield, IL, currently manages a real estate portfolio of office, light industrial, and hospitality properties located primarily in Illinois and surrounding states. The Janko Group is comprised of a team of professionals who have completed over $200 million of ground-up development, redevelopment in various markets in the Midwest. Most recently, Janko Group acquired and renovated a full service Holiday Inn at Country Club Plaza in Kansas City, MO. In 2008, Janko Group purchased and renovated two Holiday Inn-Staybridge Suites properties located in the Madison, WI area. Janko Hospitality (an affiliate of The Janko Group) recently opened its 20th hotel property – a newly constructed Fairfield Inn by Marriott in Ottawa, Illinois.

Heitman Capital Management, an international real estate investment firm based in Chicago, will be a major equity investor in this project, through one or more affiliates. Heitman, and its affiliates, currently have approximately $21.3 billion of assets under management.

General Contractor (and affiliation with Developer):

Peak Construction Corporation of Des Plaines, Illinois will be engaged as the General Contractor on this renovation project. Although not involved in day-to-day operations of Peak Construction, Mr. Gary Janko, Principal of The Janko Group LLC, has been an investor in Peak Construction since 2004. See www.peakconstruction.com for additional information.

Management Company:

The Bricton Group, Inc. ("Bricton") of Park Ridge, Illinois has been engaged to manage the property, including pre-opening marketing and sales. Bricton was established in 1989 by Mr. Edward Doherty and manages 15 hotels located in Illinois, Indiana, Michigan, and Missouri.

Bricton has been involved in providing management expertise in the acquisition and repositioning of six hotels in Illinois including: (1) the Sheraton Hotel – Northbrook (converted into the Renaissance Hotel – Northbrook in 1997); (2) Holiday Inn City Center – Peoria (1996); (3) Hotel Indigo – Palatine (2005); (4) North Shore Doubletree – Skokie (2006); (5) Hotel Cass/Holiday Inn Express – Magnificent Mile (2008); (6) Hotel Felix – Chicago (2008).

Illinois properties currently under Bricton management include (1) Hotel Cass/Holiday Inn Express – Magnificent Mile, (2) Hotel Felix Chicago, (3) Hotel Indigo – Palatine, (4) Waverton Hotel and Water Park – Elmhurst (formerly Holiday Inn – Elmhurst), and (5) Country Inn & Suites – Manteno.

Bricton also manages the Janko Group's Holiday Inn at Country Club Plaza in Kansas City.

Bricton's portfolio of managed properties also includes select service hotels operating under other brands including: Hampton Inn & Suites, Courtyard by Marriott, Towne Place Suites by Marriott, and Days Inn & Suites.

Bricton Group will not have an equity interest in the subject hotel at closing. Bricton's web site is www.bricton.com .

Background on the 1801 N. Naper Blvd. Project: The subject property was originally constructed in 1980 as a 306-room Sheraton. The hotel was rebranded as a Holiday Inn Select in 1993. A 120-room addition was completed in 2002, which increased the total room count to its current 426 rooms – this property remains the largest hotel in the Naperville/Western DuPage submarket.

According to public records, the previous owner of the property purchased the hotel in 2006 for $31.5 million with plans to refurbish and reposition the hotel. Anglo Irish Bank Corp. filed a $20.0 million foreclosure suit in March 2010.

Rationale: According to the Borrower, the Holiday Inn Select is an underperforming asset that was placed into receivership by its lender in March, 2010. As announced on November 4, 2010, the property's lender (Anglo Irish Bank Corp.) will execute a private foreclosure sale and intends to sell the property to JH Naperville Hotel LLC.

According to the Borrower, if the hotel is not acquired from Anglo Irish Bank Corp., and substantially renovated and re-positioned, the property risks losing its franchise with InterContinental Hotels Group (Holiday Inn) upon expiration of the current franchise agreement on 3/31/2010, and could possibly close.

The Borrower has determined that the property requires substantial renovation, new management, and repositioning as a Marriott Hotel, thereby enabling the 426-room property to attain its potential to serve as a conference hotel in the Naperville/Western DuPage submarket.

The City of Naperville has sent the Authority a letter substantiating their support of Recovery Zone Facility Revenue Bond financing for the proposed acquisition and substantial renovation. Additionally, the City of Naperville is further supporting the Project with a $10 million sales and hotel tax rebate approved by the Naperville City Council on Wednesday, November 3, 2010.

PROJECT SUMMARY (FOR FINAL BOND RESOLUTION)

Bond proceeds, combined with other funds, will be used by JH Naperville Hotel LLC (the "Borrower") to (i) finance a portion of the costs to purchase, renovate, and equip an approximately 7-story, 426-room, 280,000 square foot hotel property (currently a Holiday Inn Select) located on an approximately 11.46 acre site at 1801 N. Naper Blvd. in Naperville (DuPage County), IL 60563-1554. Additionally, Bond proceeds may also be used to (ii) pay all or a portion of the costs of issuance for the Bonds, and (iii) to finance capitalized interest and certain reserves, if deemed necessary and desirable by the Borrower.

Estimated project costs are as follows:

Site Acquisition/Infrastructure	$14,500,000
Renovation/Rehabilitation	24,494,000
Architectural & Engineering	750,000
Acquisition/Development/Franchise Fees	260,120
Capitalized Interest and Reserves	2,005,000
Legal & Professional (excludes IFA Bonds)	85,000
Pre-Opening Expenses, Supplies	400,000
Total New Money Project Costs	**$42,494,120**

ECONOMIC DISCLOSURE STATEMENT

Applicant: JH Naperville Hotel LLC, c/o Mr. Gary Janko, Principal, Janko Group LLC, 1650 Lake Cook Rd., Deerfield, IL 60015; Ph.: 847-940-8895; E-mail: gjanko@jankogroup.us

Project name: 1801 N. Naper Blvd. Hotel Project

Location: 1801 N. Naper Blvd., Naperville (DuPage County), IL 60563-1554

Ownership Information: All management employees or individuals holding a 7.5% or greater ownership interest in the Applicant and the Borrower are listed below:

Applicant: JH Naperville Hotel LLC, a Delaware limited liability company, c/o The Janko Group, 1650 Lake Cook Rd., Deerfield, IL 60015:

Members:

The Janko Group LLC - Manager: 10.0%

- Mr. Gary Janko: 100.0%

Heitman Value Partners II, L.P., 191 N. Wacker Dr., Suite 2500, Chicago, IL 60606 – Manager: 90.0%

This Heitman partnership is an institutional investor. The key Heitman management contact is listed below:

- Mr. John Clement

Seller Disclosure: The subject property is currently owned by Anglo Irish Bank Corp., Dublin, Ireland (pursuant to being placed into receivership in March 2010). Anglo Irish Bank Corp. is currently owned by the Republic of Ireland.

Supplement informational disclosure: According to public records and press reports, the prior owner of the subject property was a joint venture comprised of Harp Group, Inc. of Rosemont, IL; Mid-America Development Partners Inc. of Oak Brook, IL; and AMC Delancey Group Inc. of Philadelphia, PA.

PROFESSIONAL & FINANCIAL

General Counsel:	Mayer Brown, LLP	Chicago, IL	John Janicik
Accountant:	To be determined		
Bond Counsel:	Shanahan & Shanahan LLP	Chicago, IL	Jim Shanahan
Placement Agent:	William Blair & Company, LLC	Chicago, IL	Peter Raphael
Counsel to Placement Agent:	To be determined		
Credit Enhancer/ Guarantor:	Not applicable		
Bond Trustee:	Wells Fargo, N.A.	Chicago, IL	
Management Agent:	The Bricton Group, Inc.	Park Ridge, IL	Edward Doherty
Architect:	Legat Architects	Chicago, IL	Alan Bombick
General Contractor:	Peak Construction Corp.	Des Plaines, IL	Michael Sullivan
IFA Counsel:	Katten Muchin Rosenman	Chicago, IL	Lew Greenbaum
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

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

CONDUIT

December 14, 2010

$65,000,000
CHF-Normal, L.L.C. and its affiliates

REQUEST

Purpose: Bond proceeds will be used by **CHF-Normal, L.L.C.** ("**CHF**" or the "**Borrower**") to finance the design, development, construction and equipment of an approximately 228-unit, 896-bed student residence facility under a ground lease from **Illinois State University** ("**ISU**" or the "**University**") in Normal, Illinois. The project site is currently the site of Cardinal Court student housing property that will be demolished. The project will also include approximately 700 surface parking spaces, approximately 350 bike racks and provide various site improvements, including an enhanced pedestrian walkway to campus (collectively, the "**Project**"). The Project will be owned by CHF-Normal, L.L.C, an affiliate of Collegiate Housing Foundation, a 501(c)(3) corporation based in Fairhope, AL. The Project will be developed and constructed by American Campus Communities of Austin, TX. Day-to-day operations will be managed by Illinois State University's Student Housing Division.

Proceeds of the Bonds will fund project costs, capitalized interest on the Bonds, the deposit to the debt service reserve fund and issuance costs.

Program: 501(c)(3) Revenue Bonds

Extraordinary Conditions: None.

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

BOARD ACTION

Preliminary 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

150	Current jobs	5-8	New jobs projected
150	Retained jobs	TBD (16 months)	Construction jobs projected

BORROWER DESCRIPTION

● Type of entity: CHF-Normal, L.L.C. is an Alabama limited liability company formed in June 2010 for the sole purpose of developing, owning, and operating the subject student housing project for Illinois State University. (CHF was selected pursuant to a Request-For-Proposal issued by ISU to construct and finance the Project.)
● Location: Normal/McLean/North Central

CREDIT INDICATORS

● The Bonds will either be insured or sold based on a direct rating of the Project. The Underwriter anticipates a low investment grade rating on the Bonds.
● Although the Borrower is seeking commitments for bond insurance, no assurances can be given at this time as to whether the Project will receive a municipal bond insurance commitment.

STRUCTURE

● Publicly offered tax-exempt, fixed rate bonds with a term of approximately 32 years (up to 2 years of construction and 30 years of operations thereafter).
● Security for the Bonds will include revenues collected by ISU on behalf of Borrower and deposited with the Trustee, along with various reserve funds and accounts held under the Trust Indenture (including a Debt Service Reserve Fund, and a Repair and Replacement Reserve).
● The Debt Service Reserve Fund will be fully funded at closing in an amount equal to maximum annual debt service on the Bonds. Deposits to the Repair and Replacement Fund will be made on an annual basis from Project cash flows in an initial amount of $175 per bed per year.
● The Borrower will execute a Security Agreement encumbering all of the Borrower's rights, title and interest in and to the land and improvements; and an Assignment of Contract Documents, assigning the Borrower's interest in the development agreement, construction contract and related documents.

SOURCES AND USES

IFA Bonds	$65,000,000	Project/Reserve Costs:	$64,000,000
		Costs of Issuance	1,000,000
Total	**$65,000,000**	**Total**	**$65,000,000**

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: CHF-Normal, L.L.C. and its affiliates

STATISTICS

IFA Project:	N-NP-TE-CD-8436	Amount:	$65,000,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Normal	County/ Region:	McLean / North Central

BOARD ACTION

Preliminary Bond Resolution	No IFA funds at risk
Conduit 501(c)(3) Student Housing Revenue Bonds	No extraordinary conditions (Borrower must satisfy all
Credit committee recommends approval	customary IFA Bond Program Handbook requirements)

VOTING RECORD

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

PURPOSE

To finance the design, development, construction and equipment of an approximately 228-unit, 896-bed student residence facility to be developed on land under a ground lease from Illinois State University and located at 700 Gregory Street in Normal, Illinois. The site of the Project is currently ISU's Cardinal Court student housing site. The Project will also include construction of approximately 700 surface parking spaces, 350 bike racks and various site improvements, including an enhanced pedestrian walkway to campus (collectively, the "Project"). The Project will be owned by an affiliate of Collegiate Housing Foundation, a 501(c)(3) corporation based in Fairhope, AL that is engaged in developing 501(c)(3)-owned student housing projects nationally. The Project will be developed and constructed by American Campus Communities of Dallas, TX. Day-to-day operations will be managed by Illinois State University Campus Student Housing Division.

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. The IFA's issuance of these Bonds will convey federal tax-exempt status on interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the borrower.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

SOURCES AND USES OF FUNDS – Preliminary, Subject to Change

Sources:	IFA 501(c)(3) Revenue Bonds	$ 65,000,000	**Uses:**	Project Costs	$ 46,500,000
				Contingency/Other Refinancing	$ 6,500,000
				Capitalized Interest	$ 6,500,000
				Debt Service Reserve Fund	$ 4,500,000
				Costs of Issuance	$ 1,000,000
	Total:	**$ 65,000,000**		**Total:**	**$ 65,000,000**

Note: The amounts represented above represent preliminary estimates as of 11/18/2010 and are subject to change. The Capitalized Interest Fund will be capitalized at an amount sufficient to fund interest expense to 4/1/2013 (i.e., enable interest to be funded for a period of 6 months beyond the anticipated completion date, as customary). The Debt Service Reserve Fund will be capitalized at an amount sufficient to cover a minimum of one year's maximum annual debt service payments.

JOBS

Current employment:	150	Projected new jobs:	5-8
Jobs retained:	150	Construction jobs:	To be determined (16 months)

FINANCING SUMMARY

Bondholder's Security/ Credit Ratings: Two alternate structures are being contemplated by CHF-Normal, L.L.C. and RBC Capital Markets (the "Underwriter"):

(1) Bond Insurance: The Borrower will seek bids for municipal bond insurance.

(2) Direct Rating Structure: Alternately, the Borrower and their financing team will obtain a direct rating on the Bonds for sale to investors. The Bonds are anticipated to have an underlying rating of Baa3/BBB- from Moody's and Standard and Poor's, respectively, if issued under this structure.

Under this "direct rating" structure, security for the Bonds will include Revenues collected by the University on behalf of the Borrower and deposited with the Trustee and funds and accounts held under the Trust Indenture including (a Construction Fund and Debt Service Fund/Capitalized Interest Account during the construction phase), Debt Service Reserve Fund and Repair and Replacement Fund. The Debt Service Reserve Fund will be fully funded at closing in an amount equal to maximum annual debt service on the Bonds. Additionally, a Repair and Replacement Fund will be capitalized on an annual basis from Project cash flows in an initial amount of $175 per bed per year.

As proposed, the Borrower would be required to execute the following documents: (1) a Security Agreement, encumbering Project Revenues, equipment and inventory; (2) a Leasehold Mortgage and Assignment of Rents and Leases, encumbering all of the Borrower's rights, title and interest in and to the land and improvements; and (3) an Assignment of Contract Documents, assigning the Borrower's interest in the development agreement, construction contact and other related agreements.

Structure/ Interest Rate:	Fixed rate Bonds offered publicly. Interest rates are based on market conditions as of October 4, 2010 plus a cushion and are subject to change based on market conditions at the time the Bonds are priced. Interest will be fully capitalized through February 1, 2013 (i.e., a date six months subsequent the anticipated substantial completion date of the Project).
Maturity:	32 years (maximum 2 year construction period; plus 30 year renovation period)
Anticipated Closing Date:	February 2011
Financing will Be Non-Recourse to ISU, IFA, and the State of Illinois:	The Bonds will not constitute a debt of ISU, IFA, the State of Illinois, or any other political subdivisions of the State and payment of the Bonds (and any interest thereon) will not be supported by the taxing powers, full faith and credit, or a moral obligation of the State of Illinois or any political subdivision .
Rationale:	The proposed financing will provide for the construction of approximately 826 beds of new and replacement student housing on the campus of Illinois State University on the site of the existing Cardinal Court student housing facility, which will be demolished to enable development of the CHF-Normal Project. The Project will provide an affordable, on-campus housing option for ISU's students and will have a positive impact on the surrounding community by enhancing the University's ability to attract and retain students, which in turn provides economic activity in the area. In the short-term, the Project will provide a source of construction related jobs. Pursuant to the Ground Lease, ISU will support the Project by including as part of its student housing program on an equal basis with its existing University-owned facilities. ISU will not direct or assign students on a priority basis to any facilities in preference of the Project. Furthermore, after the new Project opens, ISU plans to decommission 1,583 beds of student housing on its South Campus. ISU issued a Request for Proposal in Spring 2010 for a third party developer to finance and construct university student housing facilities according to ISU design specifications. The proposed financing will enable ISU to complete financing and construction of these student housing facilities without issuing its own debt.

BUSINESS SUMMARY

Background:	**CHF-Normal, L.L.C.** (the "**LLC**" or the "**Borrower**") is an Alabama Limited Liability Company formed in June 2010 for the sole purpose of owning and developing the subject student housing facility for Illinois State University ("ISU" or the "University"). The sole Member of the Borrower is **the Collegiate Housing Foundation** ("the "**Foundation**"), an Alabama not-for-profit corporation established in 1996. The Foundation received its 501(c)(3) Determination Letter from the IRS in 1997. The Foundation is governed by a 6-member Board of Trustees (see Economic Disclosure Statement section on pp. 6-7 for further information).

Description of the Member:

The **Collegiate Housing Foundation's** mission is to assist college and universities by financing, owning, and operating student housing facilities on or near their campuses.

Since its founding, the Foundation and its affiliates have acquired, financed, and managed 33 privatized student housing projects in 19 states, with aggregate Project development costs of over $700 million.

The Collegiate Housing Foundation develops and finances each project as a stand-alone project-based financing. CHF forms a special purpose entity to serve as the Borrower and Owner of the subject student housing facilities to be developed. The sponsoring college/university benefits since the project can potentially be financed on a revenue basis by prospective users.

As proposed, CHF-Normal, L.L.C. will lease the ground for the underlying project from ISU. The Facility will be financed with proceeds of a tax-exempt bond issue and is mortgaged as security for the Bondholders. Upon completion, ISU's Housing Division will manage day-to-day operations. At such a time as the proposed Bonds are paid in full, the mortgage will be cancelled and the Foundation's interest in the facility will be conveyed (i.e., donated) to Illinois State University.

IFA has previous experience with the Foundation. In 2006, IFA issued $16.0 million of 501(c)(3) Revenue Bonds for CHF-DeKalb, L.L.C., a special purpose entity that was formed by the Foundation to develop, construct, and finance a 120-unit replacement student apartment facility at **Northern Illinois University** ("**NIU**"). The IFA Series 2006 Bonds for CHF-DeKalb, L.L.C. were secured by a Direct Pay Letter of Credit from Sovereign Bank/Banco Santander. All payments have been current. NIU also engaged the Foundation to develop this privatized student housing project in 2006 pursuant to a Request for Proposal. (As with the subject project at ISU, the 2006 NIU campus apartment project was constructed on a site under a ground lease from NIU.)

Description of the Developer:

American Campus Communities ("**ACC**" or the "**Company**") was founded in 1993, is based in Austin, TX and has been publicly traded Real Estate Investment Trust ("REIT") on the New York Stock Exchange (NYSE Ticker: ACC) since 2004. ACC focuses on developing and owning student housing as its sole, core business.

Since 1996, ACC has developed more than $2.5 billion in properties for its own account and its university clients and has acquired in excess of $2.4 billion in student housing assets. ACC has developed 63 privatized student housing communities, consisting of more than 42,200 beds. The Company has designed and programmed the full range of contemporary student communities including modern-day residence halls (traditional and full-service), various styles of apartments, and mid- and high-rise communities.

Additionally, ACC also has extensive construction management experience utilizing wood-frame and steel frame systems.

Each student housing development project that the Company develops has a dedicated ACC construction manager assigned to it responsible for scheduling periodic on-site visits to the construction site and general contractor, as well as for regular meetings with the University and general contractor.

According to ACC's management, ACC has never missed a Fall occupancy or exceeded an approved development budget on any student housing project it has developed. See www.americancampus.com for more additional information.

ISU's RFP: ISU engaged the Collegiate Housing Foundation pursuant to a Request for Proposal process to develop the subject facility in Spring 2010. The Collegiate Housing Foundation, in turn, engaged American Campus Communities (the Developer) to arrange for the design, financing, and construction, on behalf of Collegiate Housing Foundation.

ISU Campus Housing as Property Mgr.: Illinois State University's Campus Housing Division will actively manage day-to-day operations at the property and will provide residential life services to residents. Additionally, ISU will enter into a Ground Lease with CHF-Normal, L.L.C. and receive surplus cash flows after the payment of operating expenses, debt service, and the funding of the Replacement Reserve. The project will revert back to ISU at the earlier date of expiration of the Ground Lease or upon repayment of the Bonds.

PROJECT SUMMARY (for Preliminary Bond Resolution)

To finance the design, development, construction and equipment of an approximately 228-unit, 896-bed student residence facility on the existing Cardinal Court site, located at 700 Gregory Street on ISU's campus in Normal, Illinois. The project will also include approximately 700 parking spaces, approximately 350 bike racks and an enhanced pedestrian connection to campus. The facility will be owned by an affiliate of Collegiate Housing Services, a 501(c)(3) corporation, and developed and constructed by American Campus Communities. Day-to-day operations will be managed by ISU.

Estimated project costs are as follows:

Construction costs	$42,000,000
Machinery/Equipment	3,000,000
Architectural & Engineering	1,500,000
Total New Money Project Costs	**$46,500,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: CHF-Normal, L.L.C. (c/o Mr. Leeman Covey, Collegiate Housing Foundation, 411 Johnson Ave., Suite B, P.O. Box 1385, Fairhope, AL 36533-1385; Ph.: 251-928-9340; e-mail: lcovey@collegiatehousing.org

Applicant Website: www.collegiatehousing.org

Project name: To be determined
Location: 700 Gregory Street, Normal (McLean County), IL 61790

Organization: Alabama Limited Liability Company (June 2010)
Member: Collegiate Housing Foundation: 100%

- Board of Trustees
  - Mr. Leeman H. Covey, President
  - Mr. John B. Hicks, Vice President
  - Dr. John Brooks Slaughter, Treasurer
  - The Honorable Jack Edwards, Secretary
  - Mr. Thomas M. Daly, Director
  - Ms. Linda Flaherty-Goldsmith, Director

Current Property Owner: The subject property will be ground leased from Illinois State University

Project Developer: American Campus Communities, Inc. is a public company (NYSE Ticker Symbol: ACC).

Shareholders of 5.0% or more (SEC ownership threshold) include as disclosed pursuant to SEC disclosure as of 9/30/2010) included: (1) The Vanguard Group, Inc. (9.57%) and (2) Davis Selected Advisers, LP (6.12%).

PROFESSIONAL & FINANCIAL

Borrower:	Collegiate Housing Foundation	Fairhope, AL	
Borrower's Counsel:	William B. Givhan, Esq.	Mobile, AL	William B. Givhan
Developer:	American Campus Communities, Inc.	Austin, TX	
Developer's Counsel:	Glast, Phillips & Murray, P.C.	Dallas, TX	
Underwriter:	RBC Capital Markets, Inc.	Baltimore, MD	Michael R. Baird
Underwriter's Counsel:	Ballard Spahr LLP		
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Andrea G. Bacon
Bond Trustee:	Regions Bank		Lyn Cone
Bond Trustee's Counsel:	Tanner and Guin, LLC		
Financial Advisor to ISU:	John S. Vincent & Co. LLC	Chicago, IL	John S. Vincent
Bond Insurance:	To be determined (if Bonds are not insured, the Bonds will be sold based on the direct underlying rating of the Project which are to be determined)		
Rating Agencies (if sold on direct underlying rating without municipal bond insurance):			
	Moody's	New York, NY	
	Standard & Poor's	New York, NY	
General Contractor:	Weis Builders	Chicago, IL	
IFA Counsel:	Drinker Biddle LLP	Chicago, IL	TBD
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

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LEGISLATIVE DISTRICTS

Congressional:	11	Debbie Halvorson
State Senate:	53	Dan Rutherford
State House:	106	Keith P. Sommer

IFA
ILLINOIS FINANCE AUTHORITY

CONDUIT

December 14, 2010

$135,000,000
CHF-DeKalb II, L.L.C. and its affiliates

REQUEST

Purpose: Bond proceeds will be used by **CHF-DeKalb II, L.L.C.** (“**CHF**” or the “**Borrower**”) to (i) finance the design, development, construction and equipping of a new campus housing facility consisting of approximately 1,008 student housing beds located, dining facilities, and a community center on **Northern Illinois University’s** (“**NIU’s**” or “**University’s**”) campus in DeKalb, Illinois, (ii) to pay capitalized interest during construction, (iii) capitalize a debt service reserve fund, and (iv) pay bond issuance costs (the “Project”). Additionally, (iv) Bond proceeds may also be issued in one or more additional series to refinance 100% of the outstanding principal balance of IFA Series 2006 Student Housing Revenue Bonds Series 2006 (CHF-DeKalb, LLC), currently outstanding with a balance of $18,825,000 and IFA Taxable Series 2006B, currently outstanding with a balance of $440,000 (and, collectively the “2006 Bonds”) if a refinancing of the 2006 Bonds proves cost effective.

The Project will be owned by CHF-DeKalb II, L.L.C, an affiliate of Collegiate Housing Foundation, a 501(c)(3) corporation based in Fairhope, AL.   The Project will be developed and constructed by American Campus Communities of Austin, TX. Day-to-day operations will be managed by NIU.

Program: 501(c)(3) Revenue Bonds
Extraordinary Conditions: None.
No IFA Funds at risk. No State Funds at risk.

BOARD ACTION

Preliminary 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.

JOBS DATA

170	Current jobs	5-8	New jobs projected
170	Retained jobs	TBD (16 months)	Construction jobs projected

BORROWER DESCRIPTION

● Type of entity: CHF-DeKalb II, L.L.C. is an Alabama limited liability company formed in June 2010 for the purpose of assisting NIU to provide housing for its students. (CHF was selected pursuant to a Request-For-Proposal issued by NIU to construct and finance this project.)
● Location: DeKalb/DeKalb/Northeast

CREDIT INDICATORS

● The Bonds will either be (i) insured or (ii) sold based on a direct rating of the project. The Underwriter anticipates a low investment grade rating on the Bonds.
● Although the Borrower is seeking commitments for bond insurance, no assurances can be given at this time as to whether the Project will receive a municipal bond insurance commitment.

STRUCTURE

● Publicly offered tax-exempt, fixed rate bonds with a term of approximately 32 years (up to 2 years of construction and 30 years of operations thereafter) for the new Project. Any refunded Bonds would likely retain their existing final maturity date (i.e., up to 2043).
● Security for the Bonds will be determined based on the structure, as described further on pp. 3-5 of this report.
● NIU will enter into a First Fill Agreement whereby it will manage its on-campus housing stock to ensure that the Project achieves a 95% academic year occupancy rate, by directing students to the Project prior to filling other NIU campus housing facilities.
● Debt service on the Bonds will be payable from and secured by Pledged Revenues, which will include student rental payments and payments made by the Auxiliary Facilities System under the dining facility lease.

SOURCES AND USES

IFA Bonds	$115,735,000	Project Cost:	$133,000,000
IFA Ref. Bonds	19,265,000	Costs of Issuance	2,000,000
Total	**$135,000,000**	**Total**	**$135,000,000**

RECOMMENDATION

Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: CHF-DeKalb II, L.L.C. and its affiliates

STATISTICS

IFA Project:	N-NP-TE-CD-8435	Amount:	$135,000,000 (not-to-exceed amount)
Type:	501(c)(3) Bonds	IFA Staff:	Rich Frampton
Location:	DeKalb	County/ Region:	DeKalb / Northeast

BOARD ACTION

Preliminary Bond Resolution	
Conduit 501(c)(3) Student Housing Revenue Bonds	No IFA funds at risk
Credit committee recommends approval	No extraordinary conditions (Borrower must satisfy all customary IFA Bond Program Handbook requirements).

VOTING RECORD

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

PURPOSE

Bond proceeds will be used by **CHF-DeKalb II, L.L.C.** (the "**Borrower**") to (i) finance the design, development, construction and equipping of a new campus housing facility consisting of approximately 1,008 student housing beds located, dining facilities, and a community center on **Northern Illinois University's** ("**NIU's**") campus in DeKalb, Illinois, (ii) to pay capitalized interest during construction, (iii) capitalize a debt service reserve fund, and (iv) pay bond issuance costs.

Additionally, (iv) Bond proceeds may also be issued in one or more additional series to refinance 100% of the outstanding principal balance of IFA Series 2006 Student Housing Revenue Bonds Series 2006 (CHF-DeKalb, LLC), currently outstanding with a balance of $18,825,000 and IFA Taxable Series 2006B, currently outstanding with a balance of $440,000 (and, collectively the "2006 Bonds") if a refinancing of the 2006 Bonds proves cost effective.

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. The IFA's issuance of these Bonds will convey federal tax-exempt status on interest paid to bondholders, thereby enabling bondholders to accept a below market interest rate that is passed through to the borrower.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

SOURCES AND USES OF FUNDS – Preliminary, Subject to Change

Sources:	IFA Bonds (IRB)	$ 115,735,000	**Uses:**	Project Costs	$ 89,735,000
	IFA Refunding Bonds	18,825,000		Refunding Series 2006 Bonds - CHF DeKalb I, LLC	19,265,000
	IFA Taxable Refunding Bonds	440,000		Capitalized Interest	11,000,000
				Bond Insurance Premium	5,000,000
				Debt Service Reserve Fund	8,000,000
				Costs of Issuance	2,000,000
	Total:	**$ 135,000,000**		**Total:**	**$ 135,000,000**

Note: The amounts represented above represent preliminary estimates as of 11/18/2010 and are subject to change. The Capitalized Interest Fund will be capitalized at an amount sufficient to fund interest expense to 4/1/2013 (i.e., enable interest to be funded for a period of 6 months beyond the anticipated completion date, as customary). The Debt Service Reserve Fund will be capitalized at an amount sufficient to cover a minimum of one year's maximum annual debt service payments.

JOBS

Current employment:	175	Projected new jobs:	5-8
Jobs retained:	175	Construction jobs:	To be determined (18 months)

FINANCING SUMMARY

Bondholder's Security/ Credit Ratings: Two alternate structures for the New Money Bonds are being contemplated by CHF-DeKalb II, L.L.C. and RBC Capital Markets (the "Underwriter"):

(1) Bond Insurance: The Borrower will seek bids for municipal bond insurance.

(2) Direct Rating Structure: Alternately, the Borrower and their financing team will obtain a direct rating on the Bonds for sale to investors. The Bonds are anticipated to have an underlying rating of Baa3/BBB- from Moody's/Standard and Poor's.

Under this "direct rating" structure, security for the Bonds will include Revenues collected by the University on behalf of the Borrower and deposited with the Trustee and funds and accounts held under the Trust Indenture including (a Construction Fund and Debt Service Fund/Capitalized Interest Account during the construction phase), Debt Service Reserve Fund and Repair and Replacement Fund. The Debt Service Reserve Fund will be fully funded at closing in an amount equal to maximum annual debt service on the Bonds. Additionally, a Repair and Replacement Fund will be capitalized on an annual basis from project cash flows in an initial amount of $175 per bed per year.

As proposed, the Borrower would be required to execute the following documents: (1) a Security Agreement, encumbering Project Revenues, equipment and inventory; (2) a Leasehold Mortgage and Assignment of Rents and Leases, encumbering all of the Borrower's rights, title and interest in and to the land and improvements; and (3) an Assignment of Contract Documents, assigning the Borrower's interest in the development agreement, construction contact and other related agreements.

NIU First Fill Agreement: NIU will enter into a First Fill Agreement for the Project, under which it will fill this Project prior to other university-owned or affiliated housing. NIU will also serve as manager of the Project and has agreed that in the event revenues of the Project are insufficient to cover operating expenses, it shall make other legally available funds available for such purpose. (Note: the CHF project at ISU does not provide this structuring feature.)

The Bonds will be limited obligations of CHF-DeKalb II, L.L.C., and will be payable only from revenues of the Project and secured by (i) a Leasehold Mortgage on the land and improvements, (ii) a collateral assignment of Rents and Leases, and (iii) a Security Agreement.

Underlying
Project Ratings: The Bonds are anticipated to have an underlying rating of Baa3/BBB- from Moody's and Standard and Poor's, respectively.

Debt service on the Bonds will be payable from and secured by Pledged Revenues, which will include student rental payments and payments made by the Auxiliary Facilities System under the dining facility lease. The University, as manager of the Project, will collect such Pledged Revenues from the operation of the Project and, from those amounts, will deposit, semi-annually, with the Trustee the amounts necessary to (i) make the next debt service payment on the Bonds, (ii) pay any borrower, trustee and rating agency fees, (iii) to fund the required deposit to the Repair and Maintenance Fund, (iv) to pay any additional fees relating to the financing, and (v) to cure any deficiencies in the Debt Service Reserve Fund.

Structure/
Interest Rate: Fixed rate Bonds offered publicly consistent with requirements specified in IFA's Bond Program Handbook. Interest rates are based on market conditions as of November 1, 2010 plus a cushion and are subject to change based on market conditions at the time the bond issue goes to market.
(2) Alternately, the Borrower and their financing team will obtain a direct rating on the Bonds for sale to investors. The expectation is that the Bonds would obtain a low investment grade rating from Moody's and S&P.

Under this "direct rating" structure, security for the Bonds will include Revenues collected by the University on behalf of the Borrower and deposited with the Trustee and funds and accounts held under the Trust Indenture including (a Construction Fund and Debt Service Fund/Capitalized Interest Account during the construction phase), Debt Service Reserve Fund and Repair and Replacement Fund. The Debt Service Reserve Fund will be fully funded at closing in an amount equal to maximum annual debt service on the Bonds. Additionally, a Repair and Replacement Fund will be capitalized on an annual basis from project cash flows in an initial amount of $175 per bed per year.

Interest will be payable semi-annually on each April 1st and October 1st, commencing April 1, 2011. Principal and Sinking Fund installments will be payable annually on each October 1, beginning on October 1, 2014.

The Borrower is anticipated to have an underlying rating of Baa3/BBB- from Moody's/Standard and Poor's.

As proposed, the Borrower would be required to execute the following documents: (1) a Security Agreement, encumbering Project Revenues, equipment and inventory; (2) a Leasehold Mortgage and Assignment of Rents and Leases, encumbering all of the Borrower's rights, title and interest in and to the land and improvements; and (3) an Assignment of Contract Documents, assigning the Borrower's interest in the development agreement, construction contact and other related agreements.

Maturity:	32 years (maximum 2 year construction period; plus 30 year renovation period)
Estimated Closing Date:	February, 2011
Bonds will be Non-Recourse to NIU, IFA, and the State of Illinois:	The Bonds will not constitute a debt of Northern Illinois University, IFA, the State of Illinois, or any other political subdivisions of the State and payment of the Bonds (and any interest thereon) will not be supported by the taxing powers, full faith and credit, or a moral obligation of the State of Illinois or any political subdivision.
Rationale:	The proposed financing will provide for the construction of approximately 1,000 beds of new and replacement student housing on the campus of Northern Illinois University on the site of a former NIU-owned apartment complex. The project will provide an affordable, on-campus housing option for NIU's students and will have a positive impact on the surrounding community by enhancing the University's ability to attract and retain students, which in turn provides economic activity in the area. In the short-term, the project will provide a source of construction jobs. Northern Illinois University's Campus Housing Division will actively manage day-to-day operations at the property and will provide residential life services to residents. Additionally, NIU will enter into a Ground Lease with CHF-DeKalb, L.L.C. and receive surplus cash flows after the payment of operating expenses, debt service, and the funding of the Replacement Reserve. The project will revert back to NIU at the end of the Ground Lease or upon full repayment of the Bonds. Northern Illinois University issued a Request for Proposal in Spring 2010 for a third party developer to finance and construct university student housing facilities according to NIU design specifications. The proposed financing will enable NIU to complete financing and construction of these student housing facilities without issuing its own debt.

BUSINESS SUMMARY

Background:	**CHF-DeKalb II, L.L.C.** (the "**LLC**" or the "**Borrower**") is an Alabama Limited Liability Company formed in June 2010 for the sole purpose of assisting Northern Illinois University ("NIU" or the "University") to provide housing for its students. The sole Member of the Borrower is the **Collegiate Housing Foundation** (the "**Foundation**"), an Alabama not-for-profit corporation established in 1996. The Foundation received its 501(c)(3) Determination Letter from the IRS in 1997. The Foundation is governed by a 6-member Board of Trustee (see Economic Disclosure Statement section on p. 8 for further information).
Description of the Member:	The Collegiate Housing Foundation's mission is to assist college and universities by financing, owning, and operating student housing facilities on or near their campuses. Since its founding, the Foundation and its affiliates have acquired, financed, and managed 33 privatized student housing projects in 19 states, with aggregate project development costs of over $700 million.

The Collegiate Housing Foundation develops and finances each project as a stand-alone project financing. CHF forms a special purpose entity to serve as the Borrower and Owner of the subject student housing facilities to be developed. The sponsoring college/university benefits since the project can potentially be financed on a revenue basis by prospective users.

As proposed, CHF-DeKalb II, L.L.C. will lease the ground for the underlying project from NIU. The Facility will be financed with proceeds of a tax-exempt bond issue and is mortgaged as security for the Bondholders. Upon completion, NIU's Housing Division will manage day-to-day operations (and will covenant to lease the subject facilities first, prior to filling NIU-owned housing. At such a time as the proposed Bonds are paid in full, the mortgage will be cancelled and the Foundation's interest in the facility will be conveyed (i.e., donated) to Northern Illinois University.

Prior IFA and NIU Experience with CHF:

In 2006, IFA issued $10.0 million of 501(c)(3) Revenue Bonds for CHF-DeKalb, L.L.C., a special purpose entity that was formed by Collegiate Housing Foundation pursuant to an NIU request for proposal to develop, construct, and finance a 120-unit replacement student apartment facility on NIU's campus. The IFA Series 2006 Bonds for CHF-DeKalb, L.L.C. were secured by a Direct Pay Letter of Credit from Sovereign Bank/Banco Santander. All payments have been current. NIU also engaged the Foundation to develop this privatized student housing project in 2006 pursuant to a Request for Proposal. (The subject project represents NIU's second engagement of CHF to develop a student housing facility on a site ground leased from NIU.)

As noted previously, NIU is evaluating the feasibility of refinancing the Series 2006 Bonds – if refinanced, the Series 2006 Bonds would likely be rated.

Description of the Developer:

American Campus Communities ("**ACC**" or the "**Company**") was founded in 1993, is based in Austin, TX and has been publicly traded Real Estate Investment Trust ("REIT") on the New York Stock Exchange (NYSE Ticker: ACC) since 2004. ACC focuses on developing and owning student housing as its sole, core business.

Since 1996, ACC has developed more than $2.5 billion in properties for its own account and its university clients and has acquired in excess of $2.4 billion in student housing assets. ACC has developed 63 privatized student housing communities, consisting of more than 42,200 beds. The Company has designed and programmed the full range of contemporary student communities including modern-day residence halls (traditional and full-service), various styles of apartments, and mid- and high-rise communities.

Additionally, ACC also has extensive construction management experience utilizing wood-frame and steel frame systems.

Each student housing development project that the Company develops has a dedicated ACC construction manager assigned to it responsible for scheduling periodic on-site visits to the construction site, as well as for regular meetings with the University and general contractor.

According to ACC's management, ACC has never missed a Fall occupancy or exceeded an approved development budget on any student housing project it has developed. See www.americancampus.com for more additional information.

NIU's RFP:	NIU engaged the Collegiate Housing Foundation (the Borrower) pursuant to a Request for Proposal process to develop the subject facility. The Collegiate Housing Foundation, in turn, engaged American Campus Communities (the Developer) to arrange for the design, financing, and construction, on behalf of Collegiate Housing Foundation.
NIU Campus Housing as Property Manager:	NIU's Campus Housing Division will actively manage day-to-day operations at the property and will provide residential life services to residents. Additionally, NIU will enter into a Ground Lease with CHF-DeKalb II, L.L.C. and receive surplus cash flows after the payment of operating expenses, debt service, and the funding of the Replacement Reserve. The project will revert back to NIU at the earlier date of expiration of the Ground Lease or upon repayment of the Bonds
Rationale:	The proposed financing will provide for the construction of approximately 1,000 beds of new and replacement student housing on the campus of Northern Illinois University on the site of a former NIU-owned apartment complex. The project will provide an affordable, on-campus housing option for NIU's students and will have a positive impact on the surrounding community by enhancing the University's ability to attract and retain students, which in turn provides economic activity in the area. In the short-term, the project will provide a source of construction jobs. Northern Illinois University's Campus Housing Division will actively manage day-to-day operations at the property and will provide residential life services to residents. Additionally, NIU will enter into a Ground Lease with CHF-DeKalb, L.L.C. and receive surplus cash flows after the payment of operating expenses, debt service, and the funding of the Replacement Reserve. The project will revert back to NIU at the end of the Ground Lease or upon full repayment of the Bonds. Northern Illinois University issued a Request for Proposal in Spring 2010 for a third party developer to finance and construct university student housing facilities according to NIU design specifications. The proposed financing will enable NIU to complete financing and construction of these student housing facilities without issuing its own debt.

PROJECT SUMMARY (for Preliminary Bond Resolution)

Pursuant to the Ground Lease agreement between Northern Illinois University and Collegiate Housing Foundation, Bond Proceeds will be issued in one or more series and used to (i) finance the design, development, construction and equipping of an approximately 1,008-bed student housing facility comprising two, 5-story buildings, near the northwest corner of Annie Glidden Road and Lincoln Drive North on ground leased from Northern Illinois University's campus in DeKalb, Illinois 60115. Bond proceeds will also finance the design, construction and equipping of (ii) a dining hall facility, and community center, (iii) finance capitalized interest during the construction period, (iv) capitalize a debt service reserve fund, and (v) pay bond issuance costs (and, collectively the "Project"). Finally, additional series of Bonds may be issued to refund the outstanding balances of IFA Tax-Exempt Series 2006A and IFA Taxable Series 2006B 501(c)(3) Student Housing Revenue Bonds (CHF-DeKalb, LLC Project), if deemed necessary or desirable by the Borrower.

The Project financed by the New Money Series 2011 Bond Proceeds will be owned by CHF-DeKalb II, an affiliate of Collegiate Housing Services, a 501(c)(3) corporation, and developed and constructed by American Campus Communities. Day-to-day operations will be managed by NIU.

Estimated project costs are as follows (preliminary, subject to change):

Construction costs – Housing Facilities	$62,750,000
Construction costs – Dining Facilities and Community Center	8,250,000
Machinery & Equipment	6,000,000
Architectural & Engineering	1,495,000
Telecommunications, surveys, testing, permits, Impact fees, constr. mgmt. fees	3,240,000
Construction Contingency	4,000,000
Market Study Fees, Title, Development Fees, Soft Cost Contingency, Other Legal/Prof.	4,000,000
Total New Money Project Costs	**$89,735,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	CHF-DeKalb II, L.L.C. (c/o Mr. Leeman Covey, Collegiate Housing Foundation, 411 Johnson Ave., Suite B, P.O. Box 1385, Fairhope, AL 36533-1385; Ph.: 251-928-9340; e-mail: lcovey@collegiatehousing.org
Applicant Website:	www.collegiatehousing.org
Project name:	To be determined
Location:	The Project will be on the campus of the University, generally near the intersection of Annie Glidden Road and Lincoln Drive North. An actual address will be provided as soon as it is available. DeKalb, Illinois 60115

Organization: Alabama Limited Liability Company (June 2010)

Member: Collegiate Housing Foundation: 100%

- Board of Trustees
  - Mr. Leeman H. Covey, President
  - Mr. John B. Hicks, Vice President
  - Dr. John Brooks Slaughter, Treasurer
  - The Honorable Jack Edwards, Secretary
  - Mr. Thomas M. Daly, Director
  - Ms. Linda Flaherty-Goldsmith, Director

Current Property Owner: The subject property will be ground leased from Northern Illinois University

Project Developer: American Campus Communities, Inc. is a public company (NYSE Ticker Symbol: ACC).

Shareholders of 5.0% or more (SEC ownership threshold) include as disclosed pursuant to SEC disclosure as of 9/30/2010) included: (1) The Vanguard Group, Inc. (9.57%) and (2) Davis Selected Advisers, LP (6.12%).

PROFESSIONAL & FINANCIAL

Borrower:	Collegiate Housing Foundation	Fairhope, AL	
Borrower's Counsel:	William B. Givhan, Esq.	Mobile, AL	William B. Givhan
Developer:	American Campus Communities, Inc.	Austin, TX	
Developer's Counsel:	Glast, Phillips & Murray, P.C.	Dallas, TX	
Underwriter:	RBC Capital Markets, Inc.	Baltimore, MD	Michael R. Baird, Sara Russell
Underwriter's Counsel:	Ballard Spahr LLP		
Bond Counsel:	Chapman and Cutler LLP	Chicago, IL	Andrea G. Bacon
Bond Trustee:	Regions Bank		Lyn Cone
Bond Trustee's Counsel:	Tanner and Guin, LLC		
Financial Advisor to NIU:	John S. Vincent & Co. LLC	Chicago, IL	John S. Vincent
Bond Insurance:	To be determined (if Bonds are not insured, the Bonds will be sold based on the direct underlying rating of the project which are to be determined)		
Rating Agencies (if sold on direct underlying rating without municipal bond insurance):			
	Moody's	New York, NY	
	Standard & Poor's	New York, NY	
General Contractor:	Pepper Construction Co.	Chicago, IL	
IFA Counsel:	Drinker Biddle LLP	Chicago, IL	TBD
IFA Financial Advisor:	Acacia Financial Group	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	14	Bill Foster
State Senate:	35	J. Bradley Burzynski
State House:	70	Robert Pritchard

CONDUIT

$3,700,000 (not-to-exceed)

December 14, 2010 **Creative Children's Academy d/b/a Quest Academy**

REQUEST	**Purpose**: The proposed project will enable **Creative Children's Academy d/b/a Quest Academy** ("**Quest"** or the **"Borrower"**) to (i) finance or refinance the acquisition of land and related site improvements in conjunction with the subject land being used as green space, outdoor environment learning space, and athletic fields by the Borrower, (ii) refinance the outstanding principal balance of IDFA Series 1998 Bonds, and (iii) prospectively pay costs of issuance, capitalized interest, and other professional costs associated with the bond issue (the "**Project**'). **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTION	Final Bond Resolution (One-time approval)
MATERIAL CHANGES	None. This is the first time this Project has been presented to the IFA Board of Directors.
JOBS DATA	51 Current jobs; 2 New jobs projected (Preliminary; subject to change) N/A Retained jobs; 10-15 Construction jobs projected (6 months)
DESCRIPTION	● Location: Palatine (Cook County/Northeast Region) ● Quest Academy was incorporated in 1982 (as Creative Children's Academy) and is a 501(c)(3) independent school for gifted students in grades Pre-K through 8. ● This financing will enable Quest to refinance approximately $2.0MM of existing IDFA (IFA) Series 1998 Bonds and to acquire land for use as athletic fields and outdoor learning space thereby expanding recreational and educational opportunities for its students.
CREDIT INDICATORS	● Quest Academy is a non-rated 501(c)(3) organization.
PROPOSED STRUCTURE	• Bonds will be purchased directly by First American Bank (the "Direct Lender/Bond Purchaser") and held as a direct investment. • Final Maturity of up to 20 years; (initial Bank term of 5 years, subject to extension with interest rate resets to maturity).

SOURCES AND USES

IFA New Money Bonds	$1,700,000	New Proj. Cost	$1,630,000
IFA Refunding Bonds	2,000,000	Refunding IDFA 1998 Bonds	2,000,000
		Costs of Issuance	70,000
Total	**$3,700,000**	**Total**	**$3,700,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: Creative Children's Academy d/b/a Quest Academy

STATISTICS

Project Number:	N-NP-TE-CD-8431	Amount:	$3,700,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Palatine	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 Borrower to (i) finance or refinance the acquisition of land and related site improvements in conjunction with the subject land being used as green space, outdoor environment learning space, and athletic fields by the Borrower, (ii) refinance the outstanding principal balance of IDFA Series 1998 Bonds, and (iii) prospectively pay costs of issuance, capitalized interest, and other professional costs associated with the bond issue.

The new project will enable Quest to further diversify its educational offerings to students by offering more physical education, recreational, and outdoor/environmental education opportunities.

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 Bonds	$1,700,000	Uses:	Project Costs	$1,630,000
	IFA Refunding Bonds	2,000,000		Refinance Existing Debt	2,000,000
				Issuance Costs	70,000
	Total	**$3,700,000**		**Total**	**$3,700,000**

JOBS

Current employment: 51
Jobs retained: N/A

Projected new jobs: 2
Construction jobs: 10-15 (preliminary estimate – 6 months)

BUSINESS SUMMARY

Background: **Creative Children's Academy d/b/a Quest Academy** ("**Quest**", or the **"Borrower"**) was established in 1982, 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.

Quest is governed by a 14-member Board of Trustees (see p. 5 for listing).

Description: Quest is a not-for-profit K-8 independent school founded in 1982 with the purpose of operating a not-for-profit day school for gifted children in grades Pre-K through 8. Quest's niche in gifted education has become more important as many public school districts have reduced funding for such programs. Quest's campus is located near downtown Palatine, Illinois in the former Palatine Public Library building which Quest purchased and renovated with the proceeds of its $3.1MM IDFA Series 1998 Bonds issue (which will be refunded with the IFA Series 2010 Bonds).

Quest's draws its 279 students from 68 communities throughout the Chicago metropolitan area, reflective of its gifted education niche, with most residing in the Northwest and Northern suburbs. Quest has two classes per each K-8 grade and its classrooms average 7 students for each teacher.

Quest has been accredited by the Independent Schools Association of the Central States (ISACS) and is a member of the National Association of Independent Schools and the National Association of Gifted Children.

Quest's standard tuition rate is $16,560 per annum. Quest awards financial aid on a needs-based basis for those who require it.

IDFA issued $3.1MM of Bonds in 1998 that were used to purchase, renovate, and equip the former Palatine Public Library facility into a new home for Quest.

FINANCING SUMMARY

Structure/ Bondholder Security: The proposed Bonds will be purchased directly by First American Bank (the "Direct Lender/Investor") and held as a portfolio investment.

Bank Collateral: First American Bank (as the Direct Lender/Investor) will be secured by a first mortgages on all of Quest's properties and will cross-collateralize and cross-default the IFA Series 2010 Bonds with all other loans to Quest.

Final Maturity Date: 20 years

Interest Rates: The Bonds will initially bear interest at a rate set for 5 years, 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: December 22, 2010

Rationale: The Project will enable Quest Academy to provide athletic fields for outdoor sports and provide outdoor and environmental learning experiences for its students.

The proposed Bond issue will enable Quest to refinance the outstanding balance ($2.0MM) of its existing Series 1998 Bonds. The IFA Series 2010 Refunding Bonds will not result in interest rate savings, but will enable Quest to reduce variable interest rate risk and Letter of Credit renewal risk on its current 7-day variable rate demand bonds (on which the interest rate is reset weekly).

PROJECT SUMMARY (for IFA Final Bond Resolution)

IFA Series 2010 New Money Bond Proceeds will be used by Creative Children's Academy d/b/a Quest Academy to (i) finance or refinance the acquisition of approximately 3.68 acres of land and to related site improvements located approximately one block south of Northwest Highway on the west side of Plum Grove Road in Palatine, Illinois 60067, so that the land can be used as green space, athletic fields, and outdoor environmental learning space by the Borrower, (ii) refinance the outstanding principal balance of IDFA Series 1998 Bonds, the original proceeds of which were used to finance the acquisition, renovation, and equipping of Quest Academy's existing facility located at 500 N. Benton Street in Palatine (Cook County) 60067-3564, and (iii) pay bond issuance costs associated with the project.

Estimated New Money Project Costs include (preliminary, subject to change):

Land Acquisition	$1,150,000
Site Improvements /Grading / Landscaping	480,000
Total	**$1,630,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Creative Children's Academy d/b/a Quest Academy (c/o Ms. Deborah Chen, Director of Finance and Operations, Quest Academy, 500 N. Benton Street, Palatine, IL 60067-3564; (T) 847-201-8035; e-mail: deborah.chen@questacademy.org)
Web Site:	www.questacademy.org
Project name:	Quest Academy, Series 2010 Bonds
Locations:	(1) approximately one block south of Northwest Highway on the west side of Plum Grove Road, Palatine, Illinois 60067, and (2) 500 N. Benton Ave., Palatine, IL 60067-3564
Organization:	Illinois 501(c)(3) not-for-profit corporation
Board of Trustees:	Members of Quest Academy's Board of Trustees are listed below on page 5.
Current Property Owner:	The current owner of the Project is Chicago Title Land Trust No. B80001706-54 and Bank of Palatine. Contact: Bank of Palatine, 1 E. Northwest Highway, Palatine, Il 60067-3242; Phone: 847-991-4300

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Skadden, Arps, Slate, Meagher & Flom	Chicago, IL	Nancy Olson
Auditor:	McClure and Inserra & Company	Arlington Heights, IL	Judy Walther
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Bank (Direct Purchaser/Investor):	First American Bank	Elk Grove Village, IL	Steve Eikenberry
Counsel to Bank:	Ice Miller LLP	Chicago, IL	David Hight
Trustee:	Not applicable (Bank Direct Purchase Structure)		
IFA Counsel:	Tyson Strong Hill Connor LLP	Chicago, IL	Lance Tyson
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	8	Melissa Bean
State House:	27	Matt Murphy
State Senate:	54	Suzanne "Suzie" Bassi

Creative Children's Academy d/b/a Quest Academy
Board of Directors
2010-2011

James Erbs, Chair	Laura Gregg
Helen Raymaker, Vice-Chair	Jane Hauser
Curtis Maas, Treasurer	Steven Kirn
Carolyn Pizzato, Secretary	Stephen Mack
Mary Lynn Bernacchi	William Markey
Chris Dickerson	Carleen O'Brien
Ann Greenstein	Luke Praxmarer

CONDUIT

$4,500,000 (not-to-exceed amount)

December 14, 2010 **St. Francis High School College Preparatory**

REQUEST	**Purpose**: The proposed project will enable **St. Francis High School College Preparatory** ("**St. Francis**", "**SFHS**", or the "**Borrower**") to (i) finance, refinance, or reimburse the Borrower for the construction and equipping of a new, approximately 20,000 square foot, 2-story science building with classrooms, science laboratories, a science suite, a greenhouse, and a learning resource center/library located at 2130 West Roosevelt Road in Wheaton, Illinois 60187, and (ii) pay bond issuance costs (the "**Project**'). **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTION	Final Bond Resolution (One-time approval)
MATERIAL CHANGES	None. This is the first time this Project has been presented to the IFA Board of Directors.
JOBS DATA	75 Current jobs; 2 New jobs projected (Preliminary; subject to change) N/A Retained jobs; 25-30 Construction jobs projected (13 months)
DESCRIPTION	● Location: Wheaton (DuPage County/Northeast Region) ● St. Francis was incorporated in 1957 and is a 501(c)(3), Catholic, college preparatory high school. ● This financing will enable St. Francis to construct a new, two-story, approximately 20,000 square foot wing for its Science Department that will provide upgraded science laboratory facilities, classrooms, a greenhouse, and will also provide a new learning resource center/library.
CREDIT INDICATORS	● St. Francis High School College Preparatory is a non-rated 501(c)(3) organization.
PROPOSED STRUCTURE	• Bonds will be purchased directly by Wheaton Bank & Trust Company (the "Direct Lender/Bond Purchaser") to be held as a direct investment. • Final Maturity of up to 25 years (initial Bank term of 7 years, subject to extension with interest rate resets to maturity).

SOURCES AND USES

Sources		Uses	
IFA New Money Bonds	$4,500,000	New Project Costs	$2,268,265
Equity	62,000	Refinancing	2,231,735
		Costs of Issuance	62,000
Total	**$4,562,000**	**Total**	**$4,562,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: St. Francis High School College Preparatory

STATISTICS

Project Number:	N-NP-TE-CD-8433	Amount:	$4,500,000 (not-to-exceed amount)
Type:	501(c)(3) Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Wheaton	County/ Region:	DuPage/Northeast

BOARD ACTION

Final Bond Resolution (One-time consideration)
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 Borrower to (i) finance, refinance, or reimburse the Borrower for the construction and equipping of a new approximately 20,000 SF, 2-story science building consisting of laboratory classrooms, a science suite, a greenhouse, and a learning resource center/library located at 2130 West Roosevelt Road in Wheaton, Illinois 60187-6085 and (ii) pay bond issuance costs.

The new facilities will be constructed on the former site of St. Francis' administrative offices and library.

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 Bonds	$4,500,000	Uses:	New Project Costs	$2,268,265
	Equity	62,000		Refinance Existing Debt	2,231,735
				Issuance Costs	62,000
	Total	**$4,562,000**		**Total**	**$4,562,000**

JOBS

Current employment: 51	Projected new jobs: 2
Jobs retained: N/A	Construction jobs: 25-30 (preliminary estimate – 13 mo’s.)

BUSINESS SUMMARY

Background: **St. Francis High School College Preparatory** (“**St. Francis**”, “**SFHS**”, 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.

St. Francis is governed by a 16-member Board of Trustees (see p. 5 for listing).

Description: St. Francis is a not-for-profit Catholic, college preparatory high school founded in 1957 currently operated by the Roman Catholic Diocese of Joliet.

St. Francis High School currently serves 765 students of various national origins, socioeconomic, and religious backgrounds. St. Francis’ campus is located west of downtown Wheaton on Roosevelt Road (Illinois 38). St. Francis’ student body is relatively small and its students benefit from a student/teacher ratio of 14:1.

St. Francis draws its 765 students primarily from communities located in western DuPage and eastern Kane Counties.

St. Francis’ standard tuition rate is $9,160 per annum. St. Francis awards financial aid on a needs-based basis.

St. Francis is accredited by the North Central Association of Colleges and Schools.

FINANCING SUMMARY

Structure/ Bondholder Security: The proposed Bonds will be purchased directly by Wheaton Bank & Trust Company (the “Direct Lender/Investor”) and held as a portfolio investment.

Bank Collateral: Wheaton Bank & Trust Company (as the Direct Lender/Investor) is expected to be secured by a first mortgage on all of St. Francis' properties and will cross-collateralize and cross-default the IFA Series 2010 Bonds with all other loans.

Final Maturity Date: 25 years

Interest Rates: The Bonds will initially bear interest at a rate set for 7 years, subject to reset and extension in 7-year intervals thereafter until maturity. The anticipated interest rate for the initial 5-year term is estimated between 4.00% and 5.00%.

Timing: December 22, 2010

Rationale: The Project will enable St. Francis High School to provide its students with an upgraded science wing consisting of 6 new laboratory classrooms, science prep rooms, a greenhouse, and a new Learning Resource Center/Library. These improvements will enable St. Francis High School to maintain its reputation as a leading college preparatory high school in its service area.

PROJECT SUMMARY (for IFA Final Bond Resolution)

The proposed project will enable the Borrower to (i) finance, refinance, or reimburse the Borrower for the construction and equipping of a new, approximately 20,000 SF, 2-story science building with classrooms, science laboratories, a science suite, a green house, and a learning resource center/library located at 2130 West Roosevelt Road in Wheaton, Illinois 60187-6085 and (ii) pay bond issuance costs.

The new facilities will be constructed on the former site of St. Francis' administrative offices and library.

Estimated New Money Project Costs include (preliminary, subject to change):

Construction, Build-out, and Equipping of Project	$2,268,265
Total	**$2,268,265**

ECONOMIC DISCLOSURE STATEMENT

Applicant:	St. Francis High School (c/o Mr. Len Vokaty, Director of Finance and Operations, St. Francis High School, 2130 W. Roosevelt Rd., Wheaton, IL 60187-6085; e-mail: lvokaty@sfhsnet.org)
Web Site:	www.sfhsnet.org
Project name:	St. Francis College Preparatory High School, Series 2010 Bonds
Location:	2130 W. Roosevelt Rd., Wheaton, IL 60187-6085
Organization:	Illinois 501(c)(3) not-for-profit corporation
Board of Trustees:	Members of St. Francis' Board of Trustees are listed below on page 5.
Current Property Owner:	St. Francis High School currently owns the subject project site (which is located on the former site of St. Francis' administrative building and library.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Kevin Cahill, Esq.	Chicago, IL	Kevin Cahill
Auditor:	Dugan & Lopatka, P.C.	Wheaton, IL	Karen Olson
Bond Counsel:	Ice Miller LLP	Chicago, IL	Jim Snyder
Bank (Direct Purchaser/Investor):	Wheaton Bank & Trust	Wheaton, IL	Pamela Sharar-Stoppel
Counsel to Bank:	Greenberg Traurig LLP	Chicago, IL	Matt Lewin
Trustee:	Not applicable (Bank Direct Purchase Structure)		
Architect:	Serena Sturm Architects, Ltd.	Chicago, IL	Marty Serena
General Contractor:	Bulley & Andrews	Chicago, IL	Brendan Kane
IFA Counsel:	Sanchez Daniels & Hoffman LLP	Chicago, IL	John Cummins
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	6	Peter J. Roskam
State House:	48	Randall ("Randy") Hultgren
State Senate:	95	Mike Fortner

St. Francis High School College Preparatory
Board of Directors
2010-2011

Board Member (Officer)
Employment (if applicable)

Philip Kerr, Chairperson
Home Medical Express

Mary Beth Stanicek, Vice Chairperson
Wheaton

Christopher Neigel, Secretary
Arthur J. Gallagher

Raymond Reid, Treasurer
Brown Brothers Harriman and Co. (retired)

Thomas Bednar, President
St. Francis High School

Fr. James Antiporek
Pastor – St. Irene Parish, Warrenville

Lawrence Carroll
Elmhurst College

Laura Cox
Naperville

Doug Delaney
Diocese of Joliet

Craig Eldridge
BFC Printing

Scott Kilrea
Wheaton

Paul Larkin
Hewlett-Packard

Maxwell Miller
Skadden Arps, Slate, Meagher & Flom, LLP

Lorraine Nelson
Lorraine Nelson Consulting, Inc.

Paul Novack
Bensenville School District

Nancy Wolfe
First Assistant DuPage County State's Attorney

ILLINOIS FINANCE AUTHORITY

CONDUIT

$4,000,000 (not-to-exceed amount)

December 14, 2010 **Illinois College**

REQUEST	**Purpose**: To finance various leasehold improvements that will enable **Illinois College** (the "**Borrower**") to undertake various energy conservations projects including (i) upgrading its Mechanical Systems/HVAC and Lighting/Electrical Systems, constructing a new pitched roof, installing window/door upgrades, and completing interior remodeling work at Gardner Residence Hall, (ii) upgrading Primary/Secondary Chilled Water Piping, converting to Variable Flow Pumping, and installing Direct Digital Controls at its Parker Science building, (iii) consolidating utility meters, installing energy-efficient lighting, and expanding Building Automation Systems throughout Illinois College's campus in Jacksonville (Morgan County), (iv) to pay interest during construction, if deemed desirable by the Borrower, and (v) to pay bond issuance costs, if deemed necessary or desirable by the Borrower (collectively, the "**Project**").				
	Program: Conduit 501(c)(3) Lease Revenue Bonds				
	Extraordinary Condition: IFA will only convey tax-exempt status on interest payments on this project. IFA will not be in the chain of title.				
BOARD ACTIONS	Final 501(c)(3) Lease Resolution (One-time consideration)				
MATERIAL CHANGES	None. This is the first time this project has been presented to the IFA Board of Directors.				
JOB DATA	[__]	Current jobs	[__]	New jobs projected (preliminary; subject to change)	
	N/A	Retained jobs	40-45	Construction jobs projected	
DESCRIPTION	● Location: Jacksonville (Morgan County/Central Region)				
	● Illinois College is a private liberal arts college founded in 1829; it was the second college founded in Illinois but the first to grant a degree.				
	● This project represents an investment into the future of this institution and its students. These improvements are designed to improve the learning environment in a way that is extremely efficient without sacrificing comfort.				
	● Illinois College currently has approximately 1,000 students enrolled for the Fall 2010 term.				
CREDIT LEASE PROVIDER	● Fixed Rate Equipment Lease ● PNC Equipment Finance, an affiliate of PNC Bank, N.A.				
CREDIT INDICATORS	● Illinois College is not rated by Moody's, S&P, or Fitch.				
PROPOSED STRUCTURE	• Equipment • 15 Year Fixed Rate lease, expected rate of between 3.60% and 3.90%, based on market conditions at closing.				
SOURCES AND USES	IFA Lease	$3,827,000	Projects	$3,826,927	
	Equity	47,927	Cost of Issuance	48,000]	
	Total	**$3,874,927**	**Total**	**$3,874,927**	
RECOMMENDATION	Credit Committee recommends approval.				

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: Illinois College

STATISTICS

Project Number:	E-PC-TE-CD-8439	Amount:	$4,000,000 (not-to-exceed amount)
Type:	501(c)(3) Lease Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Jacksonville	County/ Region:	Morgan/Central

BOARD ACTION

Final 501(c)(3) Lease Revenue Bond Resolution
Conduit 501(c)(3) Equipment Lease Revenue Bonds
No IFA funds at risk
Credit Review Committee recommends approval.
Extraordinary condition: IFA will only convey tax-exempt status on interest payments on this project. IFA will not be in the chain of title.

PURPOSE

The proposed project will enable **Illinois College** (the "**Borrower**") to finance various leasehold improvements that will enable **Illinois College** (the "**Borrower**") to undertake various energy conservations projects including (i) upgrading its Mechanical Systems/HVAC and Lighting/Electrical Systems, constructing a new pitched roof, installing window/door upgrades, and completing interior remodeling work at Gardner Residence Hall, (ii) upgrading Primary/Secondary Chilled Water Piping, converting to Variable Flow Pumping, and installing Direct Digital Controls at its Parker Science building, (iii) consolidating utility meters, installing energy-efficient lighting, and expanding Building Automation Systems throughout Illinois College's campus in Jacksonville (Morgan County), (iv) to pay interest during construction, if deemed desirable by the Borrower, and (v) to pay bond issuance costs, if deemed necessary or desirable by the Borrower (collectively, the "**Project**").

IFA PROGRAM AND CONTRIBUTION

501(c)(3) Lease Revenue Bonds are a form of conduit lease that 501(c)(3) organizations can use to finance capital projects that will be used to further their charitable mission. IFA's conduit issuance will convey federal income tax-exempt status on interest earned on the lease by the bank, thereby reducing the borrower's interest expense.

VOTING RECORD

This the first time this project has been brought before the Board.

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Lease	$3,827,000	Uses:	Energy Savings Project	$3,826,927
	Equity	47,927		Lease Closing Costs	48,000
	Total	**$3,874,927**		**Total**	**$3,874,927**

JOBS

Current employment:	[__]	Projected new jobs:	[__]
Jobs retained:	N/A	Construction jobs:	40-45 (preliminary estimate)

BUSINESS SUMMARY

Background: **Illinois College** (the **"Borrower" or the "College"**) 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.

Illinois College is governed by a 22-member Board of Trustees (see pg. 6 for listing).

Description: Illinois College is a small residential liberal arts college offering exceptional education at an affordable cost. Illinois College was the first college or university to hold classes and award higher education degrees. Since 1829, Illinois College has prepared its students for lives of leadership and service. Illinois College has been a co-educational institution since 1903.

With an enrollment of approximately 1,000, Illinois College prepares students for careers in public service, medicine, law, education and other professions. Students earn their degrees through a demanding residential liberal arts curriculum offering more than 45 majors in the humanities, social sciences and natural sciences. The Borrower's 11:1 student-to-faculty ratio ensures intense focus on and comprehensive guidance for each student.

Additionally, Illinois College offers an array of experiential learning opportunities including Study Abroad, student-faculty research, internships, community service projects and Division III athletics which supplement its standard on-campus classroom programs.

According to Illinois College, having more than a $110 million endowment enables the College to awards millions of dollars in financial aid each year to ensure that deserving students can benefit from an Illinois College education. Illinois College's current full-time tuition for academic 2010-2011 is $22,350 and the total estimated cost, including fees, room, and board is approximately $30,700.

Illinois College is accredited by the Higher Learning Commission and is a member of the North Central Association. It also is a member of the Association of American Colleges, the National Association of Independent Colleges and Universities, the Council of Independent Colleges, and the Federation of Independent Illinois Colleges and Universities.

IFA issued $15.0 MM of Conduit 501(c)(3) Revenue Bonds for Illinois College in January 2005, the proceeds of which were used for the acquisition and construction of on-campus student housing projects and improvements to academic and administrative buildings at its campus in Jacksonville. The IFA Series 2005 Bonds are secured by a Direct Pay Letter of Credit from US Bank. All payments have been current since the date of issuance.

FINANCING SUMMARY

Structure: The proposed lease will be purchased directly by PNC Equipment Finance, Columbus, OH. PNC Equipment Finance will be the Lessor/Investor on the subject Lease Purchase Agreement. (At conclusion of the lease term, Illinois College may execute a $1.00 purchase option.)

Collateral: The Lease will be a general obligation of Illinois College.

Lease Term: 15 years (i.e., December, 2025)

Interest Rates: PNC Equipment Finance has estimated that the interest rate borne on the Lease will range between 3.60% and 3.90% and will be set after a closing date has been determined.

Timing: December 2010

Rating: Illinois College is not rated by Moody's/S&P/Fitch.

Energy Service Company:	Trane U.S., Inc. (which will guarantee minimum energy savings by Illinois College)
Rationale:	This Project will enable Illinois College to lease finance a series of energy improvement projects on its Jacksonville campus at a tax-exempt interest rate. Savings facilitated by lease financing this equipment on a tax-exempt basis will further improve the financial viability of undertaking these energy improvements. Trane U.S., Inc. will also be executing an Energy Savings Performance Contract with Illinois College.

PROJECT SUMMARY (for IFA 501(c)(3) Lease Revenue Bond Resolution)

IFA Lease Revenue Bond proceeds will be used by Illinois College to (a) finance, refinance or reimburse the College for all or a portion of the costs of the acquisition, construction, renovation, improvement, installation, upgrading, and equipping of certain of its "educational facilities" including without limitation (i) installation and upgrading of mechanical, electrical, lighting, heating, cooling and ventilation systems, (ii) window and door upgrades, (iii) construction of a new pitched roof system, (iv) upgrading of chilled water piping, conversion to variable flow pumping and installation of direct digital controls, (v) completion of interior remodeling work, (vi) consolidation of utility meters, (vii) installation of energy-efficient lighting, and (viii) expansion of building automations systems (collectively, the "Projects"), (b) pay a portion of the interest to accrue on the Bonds, if deemed desirable by the College, and (c) pay certain costs of issuance relating to the Bonds.

The Projects are or will be owned or operated by the College and are or will be located on land owned or to be owned by the College at (i) 1115 Mound Road, (ii) 1119 Mound Road, (iii) 1122 Mound Road, and (iv) other locations on the College's main campus, all located within Jacksonville (Morgan County), Illinois.

The estimated cost of these Energy Savings Improvement Projects is approximately $3,826.927 (and the not-to-exceed amount approved in the IFA 501(c)(3) Lease Revenue Bond resolution is $4,000.000).

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Illinois College (c/o, Frank G. Williams, Vice President for Business Affairs and Assistant Treasurer, Illinois College, 1101 West College Avenue, Jacksonville, IL 62650; 217.245.3003)
Web Site:	www.ic.edu
Project name:	Illinois College, Series 2010 Lease Revenue Bonds
Locations:	1101 West College Avenue, Jacksonville (Morgan County), Illinois 62650
Organization:	Illinois 501(c)(3) not-for-profit corporation
Board of Directors:	Members of Illinois College's Board of Trustees are listed on pg. 6 of this report.
Contractor/ Energy Service Company:	The proposed general contractor and responsible for designing the various energy savings systems that will be leased to Illinois College is **Trane U.S., Inc.** **Contact:** Mr. Scott Hardwick Manager – Comprehensive Solutions & Energy Services St. Louis Region Trane U.S., Inc., a Division of Ingersoll Rand Corporation 101 Matrix Commons Drive St. Louis, MO 63026
Lessor:	PNC Equipement Finance (c/o Mr. Alan Zuelke, Business Development Officer, PNC Equipment Finance, 155 E. Broad Street, Columbus, OH 43215; 614.463.6578)

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Chapman & Cutler LLP	Chicago, IL	Darrell ("Buzz") Larsen
Auditor:	McGladrey & Pullen, LLP	Springfield, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Darrell ("Buzz") Larsen
Lessor:	PNC Equipment Finance	Columbus, OH	Alan Zuelke
	PNC Bank, N.A.	Clayton, MO	Terry Stark
Counsel to Lessor:	Chapman and Cutler, LLP	Chicago, IL	
Escrow Agent:	US Bank, N.A.	Columbus, OH	Scott Miller
General Contractor/Energy Services Company:	Trane U.S., Inc.	St Louis, MO	Scott Hardwick
IFA Counsel:	Shefsky & Froelich	Chicago, IL	Barry Maram, Kim Copp
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott

LEGISLATIVE DISTRICTS

Congressional:	18	Aaron Schock
State Senate:	49	Deanna Demuzio
State House:	97	Jim Watson

Illinois College Board of Trustees 2010-2011

ILLINOIS FINANCE AUTHORITY

CONDUIT

December 14, 2010

$30,000,000
MERCY CIRCLE

REQUEST	**Purpose**: To (i) pay or reimburse the costs of (a) the acquisition, construction, installation and equipping of a continuing care retirement community on six acres of land on the far south side of Chicago; including related administrative facilities, (b) all necessary furniture, fixtures and equipment required of and necessary for such facilities, and (c) approximately 108 adjacent parking spaces; (ii) pay capitalized interest on the Bonds during the period of construction of the Project; and (iii) to pay costs of issuance incurred in connection with the issuance of the Bonds. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution
MATERIAL CHANGES	None.
JOB DATA	N/A Current jobs — 90 FTE New jobs projected N/A Retained jobs — 200-235 Construction jobs projected
DESCRIPTION	● City of Chicago (Cook County) ● Mercy Circle is a faith-based, not-for-profit 501(c)(3), continuing care retirement community that will provide a successful aging lifestyle through a variety of supportive services and programs for people age 62 and older. Mercy Circle is sponsored by the Sisters of Mercy of the Americas West Midwest Community (WMW Community), headquartered in Omaha. Located at 10000 South Central Park Avenue, Chicago, Illinois, Mercy Circle will be a replacement for the existing Mercy Convent currently on the grounds and will provide a communal living arrangement for various other religious members of the Sisters of Mercy who reside in a variety of other locations scattered throughout the Chicagoland area. A CON was granted for Mercy Circle in September of 2010. In addition to providing housing and care for the sisters, Mercy Circle will provide a continuum of care for retired sisters, priests, and brothers of other religious orders as well as the broader community of elderly in need of the same. It is anticipated that 70% of the initial residents will be religious members. Mercy Circle will include approximately 54 independent living units, 44 assisted living units, 24 memory care units and 24 skilled nursing beds within a single campus setting. Mercy Circle will be constructed on approximately six acres of land leased to Mercy Circle by the WMW Community.
CREDIT	● Bank Qualified, Bank Purchased Bonds purchased by the First National Bank of Omaha
SECURITY	● Secured by revenue pledge and mortgage on the property (6 acres of land in Chicago)
INDICATORS	● No rating (Bonds to be purchased directly by First National Bank of Omaha)
MATURITY	● No later than 2040

SOURCES AND USES

IFA Bonds	$30,000,000	Project Fund	$46,775,000
Equity/ Subordinated Debt	$20,000,000	Working Capital	$1,800,000
		Capitalized Interest	$675,000
		Cost of Issuance	$750,000
Total	**$50,000,000**	**Total**	**$50,000,000**

RECOMMENDATION Credit Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: MERCY CIRCLE

STATISTICS

Project Number: H-SL-TE-CD-8425
Type: 501(c)(3) Bonds
City: Chicago

Amount: $30,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane
County/Region: Cook County/Northeast Region

BOARD ACTION

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

Credit Review Committee recommends approval
No extraordinary conditions

VOTING RECORD

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

PURPOSE

To (i) pay or reimburse the costs of (a) the acquisition, construction, installation and equipping of a continuing care retirement community on six acres of land on the far south side of Chicago, including related administrative facilities, (b) all necessary furniture, fixtures and equipment required of and necessary for such facilities, and (c) approximately 108 adjacent parking spaces; (ii) pay capitalized interest on the Bonds during the period of construction of the Project; and (iii) to pay costs of issuance incurred in connection with 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 thereby reducing the Borrower's interest expense.

VOLUME CAP

501(c)(3) Bonds do not require Volume Cap.

JOBS

Current employment: NA
Jobs retained: NA

Projected new jobs: 90 FTE
Construction jobs: 200-235

ESTIMATED SOURCES AND USES OF FUNDS

Sources and Uses	IFA Bonds	$30,000,000	Project Fund	$46,775,000
	Equity/Subordinated Debt	$20,000,000	Working Capital	$1,800,000
			Capitalized Interest	$675,000
			Cost of Issuance	$750,000
	TOTAL	**$50,000,000**	**TOTAL**	**$50,000,000**

FINANCING SUMMARY/STRUCTURE

Security: A first leasehold mortgage, assignment of leases and rents, security agreement and fixture filing on the Project, a first security interest in Borrower's revenues, accounts, intangibles and other personal property associated with the Project, an assignment of architects contracts, construction contracts and all construction related documents for the construction of the project, an assignment of other operational contracts, approvals, permits and agreements and control over certain accounts.

Sisters of Mercy of the Americas West Midwest Community, Inc. ("WMW Community") will serve as guarantor of the bond purchase and loan agreement until the CON is amended in 2011, at which time West Midwest FIDES will replace the WMW Community as the guarantor.

Structure:	Current plan of finance anticipates a fixed rate bond to be privately placed and bank purchased by the First National Bank of Omaha
Interest Rate:	Fixed rate based upon the 5-year treasury at the time of closing, subject to semi-annual adjustment
Interest Mode:	Bank Qualified/Fixed Rate
Rating:	Private placement bank purchase by First National Bank of Omaha
Maturity:	30 (Years)
Estimated Closing Date:	December 29, 2010

PROJECT SUMMARY

To (i) pay or reimburse the costs of (a) the acquisition, construction, installation and equipping of a continuing care retirement community on six acres of land on the far south side of Chicago, including related administrative facilities, (b) all necessary furniture, fixtures and equipment required of and necessary for such facilities, and (c) approximately 108 adjacent parking spaces; (ii) pay capitalized interest on the Bonds during the period of construction of the Project; and (iii) to pay costs of issuance incurred in connection with the issuance of the Bonds

BUSINESS SUMMARY

Mercy Circle is a faith-based, not-for-profit 501(c)(3), continuing care retirement community that will provide a successful aging lifestyle through a variety of supportive services and programs for people age 62 and older. Mercy Circle is sponsored by the Sisters of Mercy of the Americas West Midwest Community (WMW Community), headquartered in Omaha, Nebraska. WMW Community will serve as guarantor until the CON is amended in 2011, at which time FIDES will replace WMW Community as the guarantor.

Located at 10000 South Central Park Avenue, Chicago, Illinois, Mercy Circle will be a replacement for the existing Mercy Convent currently on the grounds and will provide a communal living arrangement for other religious members of the Sisters of Mercy who reside in a variety of other locations scattered throughout the Chicagoland area. A CON was granted for Mercy Circle in September of 2010.

In addition to providing housing and care for the sisters, Mercy Circle will provide a continuum of care for retired sisters, priests, and brothers of other religious orders as well as the broader community of elderly in need of the same. It is anticipated that 70% of the initial residents will be religious members. Mercy Circle will include approximately 54 independent living units, 44 assisted living units, 24 memory care units and 24 skilled nursing beds within a single campus setting. Mercy Circle will be constructed on approximately six acres of land leased to Mercy Circle by the WMW Community.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name:	Mercy Circle
	10000 South Central Park Avenue, Chicago, Illinois 60655-3132
	3659 West 99th Street, Chicago, Illinois 60655-3132

10024 South Central Park Avenue, Chicago, Illinois 60655-3132

Applicant: Mercy Circle

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

State: Illinois

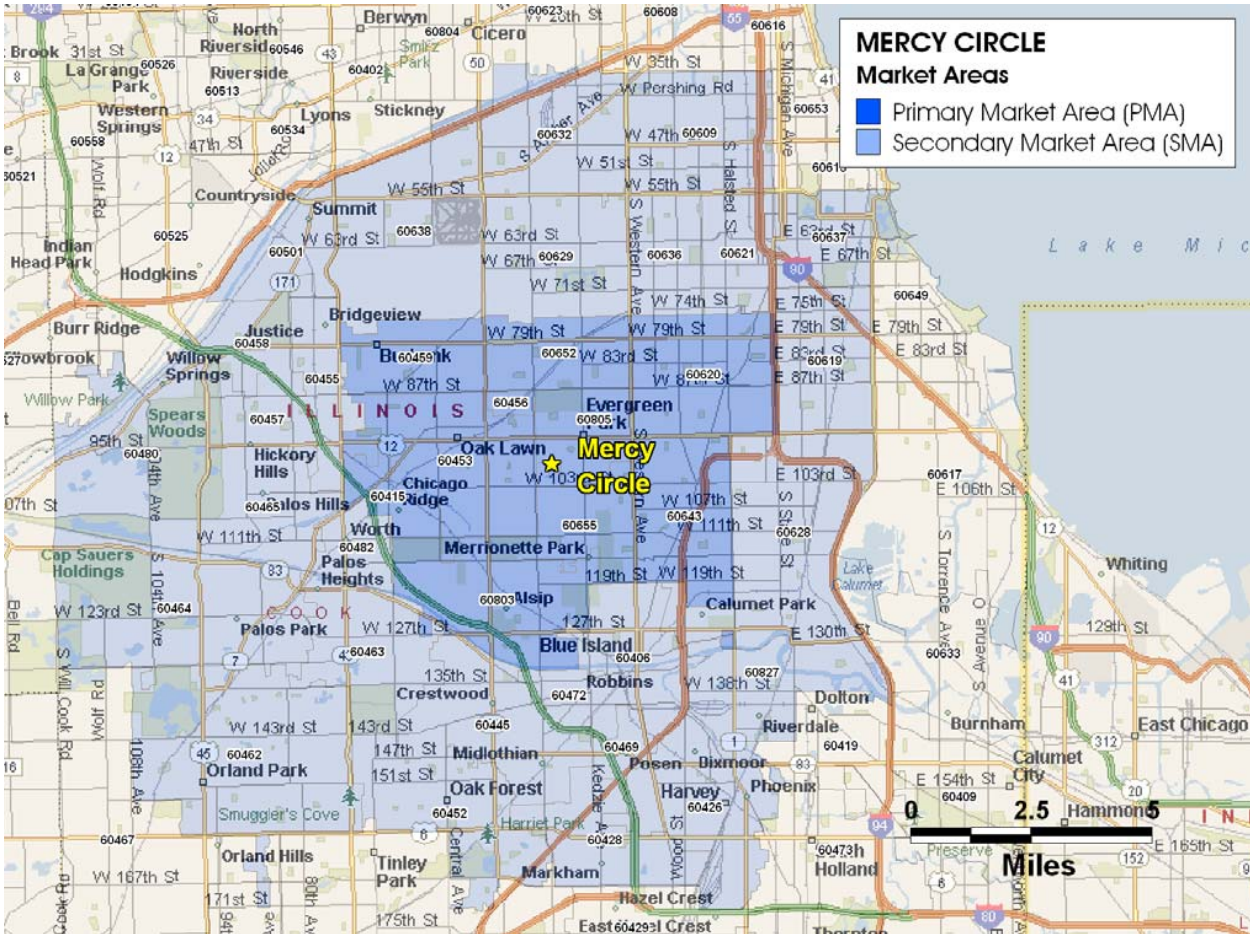
Board Members:
Sister Kathy Thornton
Sister Michelle Gorman
Sister Judith Frikker
Sister Norita Cooney
Sister Judith Cannon
Sister Sheila Megley

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Katten, Muchin Rosenman, LLP	Chicago, IL	Elizabeth Weber
Bond Counsel:	Krieg DeVault, LLP	Carmel, IN	John Kirkwood
Bank:	First National Bank of Omaha	Omaha, NE	Keith Swanson
Bank's Counsel:	McGrath North Mullin & Kratz, PC LLO	Omaha, NE	Jason Benson
Placement Agent:	Cain Brothers	San Francisco, CA	Bill Pomeranz
Issuer's Counsel:	Charity & Associates	Chicago, IL	Allan Bell
Issuer's Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

Congressional: 3rd District – Daniel William Lipinski
State Senate: 18th District – Edward D. Maloney
State House: 35th District – John O'Sullivan

SERVICE AREA



ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: Qualified Energy Conservation Bond (QECBs) Program Overview

Qualified Energy Conservation Bonds (QECBs) are codified in Section 54D of the Internal Revenue Code of 1986.

QECBs were first authorized by Congress under the Energy Improvement and Extension Act of 2008, with provisions later amended by the American Recovery and Reinvestment Act (ARRA) of 2009. Through ARRA, Congress increased the QECB volume cap to $3.2 billion. At the time, QECBs became a new category of tax credit bonds that can be used to finance government initiatives designed to reduce greenhouse gas emissions. The $3.2 billion is allocated to states, municipalities and tribal governments, and a portion (up to 30% max of the QECB allocation) of the allocation may be issued as private activity bonds. Qualified projects are defined broadly and include energy efficiency capital expenditures in public buildings, green communities, renewable energy production, various research and development, efficiency/energy reduction measures for mass transit and energy efficiency education campaigns. One hundred percent of the available project proceeds of the bond issue are to be used for one or more "qualified conservation purposes".

The State of Illinois (the "State") received a QECB allocation of $133,846,000, which was allocated to large municipalities (cities and counties with a population of 100,000 or more) within the State.

Enhancements to Federal Tax Law to Facilitate Use of QECBs:

Although originally structured as tax credit bonds as noted above, the March 2010 HIRE ACT (H.R. 2847 (Sec. 301)) expanded the QECB program by permitting these bonds to be issued as taxable direct-payment subsidy bonds similar to Build America Bonds. Under this expansion, the QECB issuer pays the investor a taxable coupon and issuer receives a rebate from the U.S. Treasury.

Effective July 12, 2010, Governor Pat Quinn signed into law, Public Act 96-1020 (HB2369), giving the Illinois Finance Authority ("IFA") the authorization to aggregate unused volume cap for QECBs originally allotted to counties and cities that has been voluntarily waived. The unused volume cap would be used for statewide qualified projects with the intent to help communities and businesses still struggling from the recent economic downtown to make the most of federal resources designed to jumpstart the economy. By consolidating the remaining bonding authority under the IFA's umbrella for reallocation to qualified projects, the State's goal is not to leave these valuable financing resources on the table. IFA will issue these bonds on a conduit basis.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
December 14, 2010

Project: **$20,000,000 Village of Deerfield**
Wastewater Reclamation Facility Reconstruction
General Obligation - Qualified Energy Conservation Bonds (QECBs)

STATISTICS

IFA Project #:	L-EC-TE-CD-8437	Amount:	$20,000,000
Type:	Qualified Energy Conservation Bonds		
Location:	Village of Deerfield	IFA Contact:	

BOARD ACTION

Final Bond Resolution (One-time approval) ***No IFA funds at risk***

Wastewater Reclamation Facility Reconstruction – Qualified Energy Conservation Bonds (QECBs)

Credit Committee recommends approval

PURPOSE

The Qualified Energy Conservation Bonds ("QECBs" or the "Bonds") will be used to finance major improvements to the Village of Deerfield's (the "Village" or "Deerfield") Wastewater Reclamation Facility ("Reclamation Facility" or "facility"). The facility provides wastewater treatment and environmental protection for the residents of the Village. The improvements will enhance the reliability and efficiency of the facility through replacement and renovation of aged equipment and structures, installation of modern instrumentation and control systems and elimination of dated treatment processes and technologies.

Deerfield is located in Lake County, Illinois which is located approximately 25 miles north of Chicago, IL. The Village's current population estimate is 19,400.

IFA CONTRIBUTION

The Bonds will be issued on a conduit basis.

VOTING RECORD

None. This is the first time a QECB financing has been presented to the IFA Credit Committee.

PRELIMINARY ESTIMATED SOURCES AND USES OF FUNDS

Sources:	IFA Bond Financing	$20,000,000	Uses:	Land and Site Improvement	$2,523,000
	Other (local financing & funds)	$10,450,000		Construction/ Renovation	$22,035,682
				Equipment	$4,891,318
				Cost of Issuance	$1,000,000*
	Total	**$30,450,000**		**Total**	**$30,450,000**

No more than 2% of bond sale proceeds may be used to finance costs of issuing QECBs. Costs beyond the 2% limitation will be paid from non-bond sources.

Note: Sources and Uses of Funds subject to finalization at time of Final Bond Resolution.

FINANCING SUMMARY

Security: The QECBs will be secured by a general obligation of the Village. The Village has an Aaa bond rating from Moody's, which was reaffirmed in October 2010. The Village has pledged all available revenues to the Bonds, including unlimited property tax pledge of home rule municipality.

QECB Financing Overview: QECBs are codified in Section 54D of the Internal Revenue Code of 1986. First authorized by Congress under the Energy Improvement and Extension Act of 2008, provisions were later amended by the American Recovery and Reinvestment Act (ARRA) of 2009. In February 2009, Congress increased QECB volume cap to $3.2 billion. The increased volume cap is available for Qualified Energy Conservation Bonds, which are a new category of tax credit bonds that can be used to finance government initiatives designed to reduce greenhouse gas emissions. The new QECB volume cap of $3.2 billion was allocated to states, municipalities and tribal governments.

In March 2010, the Hiring Incentives to Restore Employment Act (HIRE Act) expanded the QECB program by permitting these bonds to be issued as taxable direct-payment subsidy bonds rather than have holders of the QECBs claim a tax credit in lieu of interest, as under prior law. This new QECB authority is similar to the direct payment option issuers have been successfully electing under the Build America Bond program to lower bond financing costs.

However, unlike Build America Bonds, an issuer of QECBs must be allocated QECB volume cap prior to issuing QECBs. The issuer takes taxable bonds and receives direct-payment subsidies corresponding with each interest payment date. Issuers of QECBs receive direct payments equal to the lesser of (a) the interest paid by the issuer on each interest payment date of (b) 70 percent of the amount of the tax-credit rate that the holder would have received if the issuer issued the bonds as tax-credit bonds.

Eligibility: One hundred percent of the available project proceeds of QECBs must be used for one or more of the following qualified conservation purposes:

(A) Capital expenditures incurred for the purposes of:

- reducing energy consumption in publicly owned buildings by at least 20%
- implementing green community programs (including the use of loans, grants or other repayment mechanisms to implement such programs)
- rural development involving the production of electricity from renewable energy sources; or
- any facility eligible for the production tax credit under Section 45 (other than Indian coal and refined coal production facilities); or

(B) Expenditures with respect to facilities or grants that support research in the development of cellulosic ethanol or other non-fossil fuels, technologies for the capture and sequestration of carbon dioxide produced through the use of fossil fuels, automobile battery technologies and other technologies to reduce fossil fuel consumption in transportation, and technologies to reduce energy use in buildings; or

(C) Mass commuting facilities and related facilities that reduce the consumption of energy, including expenditures to reduce pollution from vehicles used for mass commuting; or

(D) Demonstration projects designed to promote the commercialization of green building technology, conversion of agricultural waste for use in the production of fuel or otherwise, advanced battery manufacturing technologies, technologies to reduce peak use of electricity and technologies for the capture and sequestration of carbon dioxide emitted from combusting fossil fuels in order to produce electricity; or

(E) Public education campaigns to promote energy efficiency.

QECB

Volume Cap: Effective July 7, 2010, Governor Pat Quinn signed into law Public Act 96-1020 (HB2369), giving the Illinois Finance Authority ("IFA") the authorization to aggregate unused volume cap for QECBs originally allotted to counties and cities, that has been voluntarily waived. The intent of this authorization is to help communities and businesses still struggling from the recent economic downtown to take advantage of the federal resources designed to jumpstart the economy. IFA would allocate $20,000,000 of the Village's QECB volume cap to this project.

The Bonds:

- Bond proceeds will capitalize a Debt Service Reserve Fund equivalent to one year's maximum annual debt service payments.
- *Bondholders would be secured by (1) the Intercepted Revenue sources provide primary security (see 7.84x coverage in 2009), with the Moral Obligation providing additional security to Bondholders*

Structure: Fixed Rate Term Bond.
Maturity: November 15, 2014
Closing: October 2010

Note: The Series 2010 Bonds will be on parity with the Village's approximately $1.99 million of Series 2003 and 2005 Refunding Bonds.

PROJECT SUMMARY

Proceeds of the QECBs in the amount of $20,000,000 (i.e., the Village's QECB allocation), will be a general obligation of the Village, and used to implement major improvements to the Village's Reclamation Facility so that the facility can continue providing wastewater treatment and environmental protection for the residents of the Village. Project construction is expected to commence in January 2011 and take approximately 2.5 years to complete. The Facility will not be used by another public or private entity. An environmental study has been performed on the site of the facility and there were no adverse findings.

BUSINESS SUMMARY

Background: The Village of Deerfield was incorporated in 1903 and operates under the council/manager form of government. The legislative body consists of the Mayor and Board of six Trustees, all elected on an at-large basis to overlapping four-year terms. Today the Village is a thriving community with approximately 19,400 residents. The Village is located north of Chicago and has a total land area of 7.0 square miles most of which is in Lake County with a small portion in Cook County.

The Village has experienced steady population growth since its founding in 1903, and was once ranked as one of the nation's best places to raise children. Additionally, the Village is one of Chicago's most prosperous suburbs with high home values levels and a strong economic base. Deerfield is home to the headquarters of many large corporations including Walgreens Corp., Baxter International, Takeda Pharmaceuticals, Kinetek, Inc. and Astellas Pharmaceuticals. Deerfield maintains high quality public facilities and government operations. Among the services provided by the Village include fire and police protection, snow removal and road maintenance, forestry preservation and creation and water and sewer services. The Village is known throughout the country as a sustainable community that is at the forefront of green design and sustainable living.

The Reclamation Facility was established in 1954 and completed major expansions in 1960, 1964 and 1975; but has now significantly exceeded its design life. The Village undertook the responsibility to investigate regional and local alternatives for treatment and decided it was in the best interest of the Village to retain local treatment and control. The Reclamation Facility currently consists of screens, aerated grit tank, primary clarifiers, trickling filters, activated sludge, final clarifiers, chlorination and de-chlorination.

The proposed improvements to the Reclamation Facility will enhance the reliability and efficiency of the facility through replacement and renovation of aged equipment and structures, installation of modern instrumentation and control systems and elimination of dated treatment processes and technologies. Additionally, sustainable elements have been incorporated into the design of the administration building for the purpose of seeking LEED certification. A comparison of the current and projected future energy use at the Reclamation Facility was conducted. Changes that will impact power use include replacement of nearly every motor at the facility with new high efficiency motors and improvements to wastewater pumping and aeration process efficiency. Elimination of the anaerobic digestion process should significantly reduce natural gas usage.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	Village of Deerfield (Contact: Robert Fialkowski, Director of Finance, Village of Deerfield, 1045 Hackberry, Deerfield, IL 60015; Ph.: 847/945-5000; email: rfialkowski@deerfield.il.us)
Project Name:	Illinois Finance Authority, Deerfield Wastewater Reclamation Facility Reconstruction, Qualified Energy Conservation Bonds
Location:	Deerfield, Illinois
Organization:	Home rule unit of government
Officials:	Harriet Rosenthal, President/Mayor Robert Fialkowski, Director of Finance Kent Street, Village Manager Bob Benton, Trustee Alan Farkas, Trustee Tom Jester, Trustee Mary Oppenheim, Trustee Bill Seiden, Trustee Barbara Struthers, Trustee There are eighteen boards and commissions appointed to assist the Village in its policy-making decisions.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Rosenthal, Murphey, Coblentz & Donahue	Chicago, IL	Peter Coblentz
Bond Counsel:	Katten Muchin Rosenman	Chicago, IL	Lewis Greenbaum
Underwriter:			
Underwriter's Counsel:	.		
Issuer's Counsel:			
IFA Financial Advisor:	Scott Balice Strategies	Chicago, IL	Lois Scott Shannon Williams

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LEGISLATIVE DISTRICTS

US Congress	10	Mark Kirk
State Senate:	29	Susan Garrett
State House:	58	Karen May

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: December 14, 2010

Re: Resolution authorizing the Execution and Delivery of a First Supplemental Indenture of Trust and Related Documents in Connection Therewith; and related matters in connection with

IDFA Series 2002 Revenue Bonds (Chinese American Service League Project)

IDFA File Number: 9713-NP

Request:

Chinese American Service League ("CASL" or the "Borrower") is requesting approval of a Resolution to approve the execution and delivery of a Supplemental Trust Indenture to enable creation of a Direct Purchase Mode, a new interest rate mode for the Series 2002 Bonds.

CASL is requesting approval of this Resolution to enable CASL to replace its existing LOC-enhanced structure (secured by a Direct Pay Letter of Credit from Bank of America) with a Direct Purchase Structure. Charter One Bank, or one of its affiliates (the "Bond Purchaser") will be purchasing the Bonds in whole and will be the Bond Purchaser/Secured Lender for this financing.

The outstanding Par Amount of the IFA Series 2005 Bonds issued for the CASL project was approximately $3,500,000 as of 12/1/2010.

This new structure, due to the addition of this new interest rate mode and conversion to that mode will be considered a reissuance for tax purposes. IFA's fee for this restructuring will be $5,000.

Background:

IFA originally issued $5,000,000 of Bonds on behalf of Chinese American Service League in August 2002. Bond proceeds were loaned to CASL and used to finance the acquisition, construction, and equipping of a new headquarters and community center/service facility located in Chicago, Illinois. All payments relating to the IFA Series 2002 Bonds have been current and paid as scheduled.

Chinese American Service League is a Chicago-based educational and social service agency. The IDFA Series 2002 Bonds financed construction of their current headquarters/operations facility.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Much Shelist	Chicago, IL	
Bond Counsel:	Chapman and Cutler, LLP	Chicago, IL	Chuck Jarik
Bond Purchaser:	Charter One Bank	Chicago, IL	
Bank Counsel:	Chapman and Cutler, LLP	Chicago, IL	Carol Thompson
Bond Trustee:	US Bank, N.A.	Chicago, IL	Vernita Anderson
IFA Counsel:	Pugh Jones Johnson & Quandt, P.C.	Chicago, IL	Scott Bremer
IFA Financial Advisor:	Scott Balice Strategies LLC	Chicago, IL	Lois Scott

Enclosure: Copy of IFA Resolution 2010-1214-XX

IFA RESOLUTION NO. 2010-1214-AD17

RESOLUTION AMENDING $5,000,000 AGGREGATE PRINCIPAL AMOUNT OF VARIABLE RATE DEMAND REVENUE BONDS (CHINESE AMERICAN SERVICE LEAGUE PROJECT) SERIES 2002 OF THE ILLINOIS DEVELOPMENT FINANCE AUTHORITY; AUTHORIZING THE EXECUTION AND DELIVERY OF A FIRST SUPPLEMENTAL INDENTURE OF TRUST AND RELATED DOCUMENTS IN CONNECTION THEREWITH; AND RELATED MATTERS.

WHEREAS, the Illinois Development Finance Authority, a political subdivision and a body politic and corporate duly organized and validly existing under and by virtue of the laws of the State of Illinois (the *"IDFA"*), including without limitation the Illinois Development Finance Authority Act, as supplemented and amended (the *"IDFA Act"*), was authorized by the laws of the State of Illinois, including without limitation the Act, to issue its revenue bonds for the purposes set forth in the Act and to permit the expenditure of the proceeds thereof to defray, among other things, the cost of the development, construction, acquisition and improvement of *"industrial projects,"* as defined in the Act (as hereinafter defined); and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly the IDFA Act, the IDFA has previously issued its Variable Rate Demand Revenue Bonds (Chinese American Service League Project) Series 2002 in the aggregate principal amount of $5,000,000 (the *"Bonds"*); and

WHEREAS, in connection with the issuance of the Bonds, the IDFA executed and delivered, among other documents, the Indenture of Trust dated as of August 1, 2002 (the *"Indenture"*) by and between the IDFA and LaSalle Bank National Association, as Trustee; and

WHEREAS, pursuant to the Constitution and the laws of the State of Illinois, and particularly the Illinois Finance Authority Act, 20 *Illinois Compiled Statutes 2008*, 3501/801-1 *et seq.*, as supplemented and amended (the *"Act"*), the Illinois Finance Authority, a body politic and corporate duly organized and validly existing under the laws of the State of Illinois (the *"Authority"*), assumed the obligations of and succeeded to the rights of the IDFA, among other authorities, as of January 1, 2004, including without limitation the rights and obligations of the IDFA under the Indenture and the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to amend the Indenture and the Bonds, in order to amend the mechanics to establish the interest rate on the Bonds; and

WHEREAS, it is now necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of a First Supplemental Indenture of Trust (the *"First*

Supplemental Indenture") dated as of December 1, 2010, by and between the Authority and U.S. Bank National Association, as Trustee (the *"Trustee"*); and

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

(i) the First Supplemental Indenture, and

(ii) the Bonds, as amended;

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

Section 1. That the Authority is hereby authorized to enter into the First Supplemental Indenture with the Trustee in substantially the same form now before the Authority; that the form, terms and provisions of the First Supplemental Indenture be, and they hereby are, in all respects approved; that the Chairman, the Executive Director and the Treasurer be, and each of them hereby is, authorized, empowered and directed to execute and deliver, and the Secretary or any Assistant Secretary of the Authority be and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the First Supplemental Indenture in the name, for and on behalf of the Authority, and thereupon to cause the First Supplemental Indenture to be executed, acknowledged and delivered to the Trustee, in substantially the form now before the Authority or with such changes therein as the individual executing the First Supplemental Indenture on behalf 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 First Supplemental Indenture now before the Authority; that when the First Supplemental Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such First Supplemental Indenture shall be binding on the Authority; that from and after the execution and delivery of the First Supplemental Indenture, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the First Supplemental Indenture as executed; and that the First Supplemental Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the First Supplemental Indenture shall be placed in the official records of the Authority, and shall be available for public inspection at the office of the Authority.

Section 2. That the form of the Bonds, as amended, now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture (as amended) be, and the same hereby is approved; that the Bonds, as amended, shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of its Chairman and attested with the manual or facsimile signature of its Secretary and the seal of the Authority shall be impressed or imprinted thereon; that the Chairman, the Executive Director, the Treasurer, the Secretary or any other officer of the Authority shall cause the Bonds, as so amended and executed and attested, to be delivered to the Trustee for authentication; and that when the Bonds, as amended, shall be executed on behalf of the Authority in the manner contemplated by the Indenture, as supplemented and amended, and this Resolution, they shall represent the approved form of Bonds, as amended, of the Authority.

Section 3. That the Chairman, the Executive Director, the Treasurer, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, certificates, and undertakings of the Authority and to take such other actions as may be required in connection with the execution, delivery and performance of the First Supplemental Indenture authorized by this Resolution.

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

Section 5. That the Authority hereby assumes the rights and obligations of the IDFA under the Indenture, the Bonds and the related documents to which the IDFA was a party.

Section 6. 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 7. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 8. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

Date: December 14, 2010

From: Jim Senica

Re: Request to IFA Board Directors of approval of:
1) Transfer of ownership and lead lender relationship of the loan referenced below.

Loan # A-LL-TX-6112 (*Renewable Energy Development-Participation Loan*)

Original Amount: $2,000,000.00
Current Balance: $1,741,361.20
IFA Exposure: $1,741,361.20

John Deere Credit ("**Original Lender**") has requested Illinois Finance Authority ("IFA") concurrence allowing the sale and transfer of two existing loans totaling the above amount, originally loaned to Agri-Wind, LLC and Agri-Wind Project, LLC ("**Borrowers**") to **Exelon Generation Company, LLC** ("**New Lender**").

The **Original Lender** originated a $2,000,000 loan in June of 2006 to finance the construction and installation of five (5) 2.1 MW (Megawatt) wind turbines in Bureau County, near Tiskilwa. The loan to the Borrowers was funded by a grant from the Illinois Clean Energy Community Foundation (the "ICECF") to the IFA. The grant from the ICECF capitalized a segregated loan program fund within IFA known as the Renewable Energy Development Program (the "RED Fund") for the purpose of providing low-cost financing to small, community scale wind projects.

As part of the overall financing structure, John Deere Renewables, LLC originally assumed a 99% ownership position in both Agri-Wind, LLC and Agri-Wind Project, LLC, which own and operate the wind turbines. John Deere Credit also provided the majority of the equity needed to fund the project.

John Deere Renewables, Inc. has recently decided to exit the renewable energy market, and thus sold their portfolio of renewable projects to Exelon Corporation. As a result, John Deere Credit also wishes to divest itself from the remaining debt associated with these two financings and is proposing to divest its interest in these Participation Loans to Exelon Generation Company, LLC.

The current debt ratings for John Deere Credit, Inc. are A2/A (Moody's/S&P).

The current ratings for Exelon Generation Company, LLC are A3/BBB (Moody's/S&P).

Based on the fact that both lenders have balance sheets sufficient to support long-term investment grade ratings, and the fact that discussions with Exelon's staff indicates the Co-Borrowers (Agri-Wind LLC and Agri Wind Project, LLC) have the ability to service IFA's participation loan, staff concurs and recommends approval.

ILLINOIS FINANCE AUTHORITY

Memorandum

To: IFA Board of Directors

Date: December 14, 2010

From: Rich Frampton

Re: Request by **State Bank** (Freeport, Illinois) to IFA Board Directors for approval of: a 5-Year Extension of a Term Participation Loan to Freeport/Stephenson County Visitor's Center, NFP to not later than 12/28/2015

IFA Participation Loan: B-LL-NP-TX-412

Original IFA Participation Loan Amount: $211,904.64
Current IFA Participation Balance: $156,166.85 (as of 12/1/2010)
IFA Credit Exposure: $156,166.85

Closing Date: 12/28/2005
Initial 5-Year Term Expires: 12/28/2010
Initial Interest Rate on IFA Participation: 4.90%

Requested Term Extension for 5 Years: 12/28/2015 (this is the final term extension that this project may request). For the final 5-year term, State Bank's share of the participation (i.e., $204,051.03 - -- 56.7% of the combined outstanding balance) and IFA's current share ($156,166.85 – 43.3% of the outstanding balance) will be amortized in the same proportion as the amounts currently outstanding.

Proposed Interest Rates: (1) State Bank Loan: 5.00%; (2) IFA Participation Loan: 4.00%, thereby resulting in a blended interest rate of approximately 4.63%.

Background:

State Bank of Freeport, Illinois **(the "Bank" or "Lender")** and IFA closed an approximately $423,809.28 loan in which IFA originally had a $211,904.64 interest (i.e., a 50% interest).

Proceeds of the 2005 loan were loaned to **Freeport/Stephenson County Visitor's Center, NFP** (the "**Borrower**") (a 501(c)(3) corporation and a special purpose affiliate of the Freeport Economic Development Foundation, now the Northwest Illinois Economic Development Alliance) formed to own the subject property.

Proceeds of the 2005 loan were used to: purchase land and construct a new Freeport/Stephenson County Visitor's Center (the "**Project**"), located on the east side of Freeport and adjacent to the westbound lanes of U.S. 20 (and opposite from the Kelly Springfield Tire & Rubber Company's manufacturing plant). The purpose of the Visitor's Center is to serve as an entry point to promote Freeport, Stephenson County, and the surrounding area and to provide Interstate Rest Area type amenities (e.g., restrooms, vending machines, an ATM machine, and a staffed information desk with kiosks). The facility is also the home of the Convention and Visitor's Bureau's offices.

As of 12/1/2010, IFA's balance has been paid down to $156,166.85 and the combined balance of the IFA/State Bank Loans have been paid down to $360,217.08.

The 2005 IFA/State Bank Loan was structured with an initial 5-term term, extendable thereafter subject to review. State Bank is requesting IFA concurrence to extend the loan for a second five-year period.

State Bank is amortizing payments over 20 years.

<u>Note</u>: *according to IFA Participation Loan Policy, this will be the final term extension that may be requested for this loan -- the IFA Participation Loan will have been outstanding for 10 years upon expiration of the proposed 5-year extension.*

Primary Source of Payment – Dedicated Hotel Tax to Support Project Debt Payments

In connection with development of this Visitor's Center project, the City of Freeport approved City Ordinance 2004-52 on September 7, 2004 to increase the City's Hotel tax by 40%, from 3.0% to 5.0% through December 31, 2024 (intended to coincide with the proposed mortgage loan on the property).

According to City Ordinance, 100% of the City's Hotel Motel tax revenues are required to be appropriated to the **Freeport/Stephenson County Convention and Visitor's Bureau** (the "**Convention and Visitor's Bureau**" or "**CVB**"), a 501(c)(6) corporation .

According to City Ordinance 2004-52, proceeds of the two percent increase in the City's Hotel tax shall be used by the CVB to pay rent on space in the Visitor's Center, up to a maximum annual rent payment of $40,000 per annum until the earlier of (i) payment of all project costs (i.e., loans) have been repaid or (ii) December 31, 2024 (i.e., only 19 years after the initial loan closing date).

- *Total 2009 Hotel Tax Collections by the City of Freeport and the, Village of Lean (and appropriated to the Convention and Visitor's Bureau):* $153,197.

- *Allocation of 2% Hotel Tax increment from CVB to support rent on the Project (i.e., 40% of $180,000 -- which represents two-fifths of the 5% tax rate), prior to supporting other CVB activities:* $61,279

- *Contractual Annual Rent Payments by CVB to Borrower:* $40,000

- *Annual debt service payments on IFA/State Bank Loans:* $45,980

Hotel Tax Collected Now vs. 2005:

At the time of IFA Board consideration in 2005, the CVB received Hotel Taxes (based on the prior 3% tax rate in effect until 2005) of $92,000, $104,000, $92,000, and $100,000 from 2001-2004.

Based on the current 5.0% Hotel Tax Rate, each of these amounts would have been 40% higher (so the CVB would have received $128,800, $145,600, $128,800, and $140,000, respectively, from 2001-2004).

FYE Ending:	**12/31/2001**	**12/31/2002**	**12/31/2003**	**12/31/2004**	**12/31/2005**	**12/31/2006**
	Historical	*Historical*	*Historical*	*Historical*	**Historical – 5% Tax**	**Historical – 5% Tax**
Actual Hotel/Motel Tax Revenues at 3% Rate	**$92,000**	**$104,000**	**$92,000**	**$100,000**		
Pro Forma Hotel/Motel Tax Revenues at 5% Rate (began in 2005)	*$128,800*	*$145,600*	*$128,800*	*$140,000*	**$143,716**	**$161,447**
Dedicated Incremental Taxes Available to Project (40% of Total)					60,800	60,800
Current Debt Service Payments:					36,545	36,545
Estimated IFA/State					1.66x	1.66x

Bank Loan Coverage						

As noted below, Hotel Tax revenues had increased to $153,197 by 2009, thereby generating $61,279 was available to service the IFA/State Bank combined loans.

Comparison of Existing and Proposed Debt Service Payments:

- *Existing 2006-2010 Debt Service Payments on IFA/State Bank Loans:* $36,545
- *Proposed 2011-2015 Debt Service Payments on IFA State Bank Loans:* $34,980

Coverage of Proposed 2011-2015 Payments:

- Coverage of the additional two percent Hotel Tax available to be allocated by City Ordinance to be used for rental of space at the Project based on 2009 Revenues: 1.75x. Trends show slight improvement for the 11 months ended 11/30/2010 as noted below.

  Note: The City Ordinance requires that any proceeds of the additional two percent tax imposed that are not used for rental of space at the Project, may be used for general CVB activities.

In addition to the requirement that the additional two percent Hotel tax be allocated to pay for the rental of space at the Project, State Bank has indicated that the CVB will subsidize any Visitor's Center operating deficits.

FYE Ending:	**12/31/2007**	**12/31/2008**	**12/31/2009**		**11/30/2009**	**11/30/2010**
	Historical	**Historical**	**Historical**		**Interim - Unaudited**	**Interim - Unaudited**
Hotel/Motel Tax Revenues at 5% Rate (began in 2005)	**$ 163,702**	**$ 184,333**	**$ 153,197**		$ 143,350	$ 148,392
Dedicated (2%) Incremental Taxes Available to Project (40% of Total)	**$ 65,481**	**$ 73,733**	**$ 61,279**		$ 57,340	$ 59,357
Current Debt Service Coverage based on $35,545 payments:	1.84	2.07	1.72		1.76	1.82
Pro Forma Debt Coverage on New $34,980 Payments:	**1.87**	**2.11**	**1.75**		**1.79**	**1.85**

Collateral:

IFA and State Bank are secured by a shared *(pari passu)* First Mortgage on the subject project site:

- ***Building Site:*** approximately 1.2 acres
- ***Improvements:*** 4,600 square foot building and parking spaces for 50+ cars and up to four tractor-trailers
- ***2005 Fair Market Appraised Value in use:*** $600,000 by John J. Hill & Associates, Freeport, Illinois. (Note: given that this facility is a special purpose building, this may not be a value that would be recoverable in the event of a forced sale.)

The property is a 4,600 SF building located on an approximately 1.2 acre site at the northwest corner of U.S. Hwy. 20 and Browns Mill Road, and adjacent to the westbound lanes of U.S. 20. The project site is located just east of the Business U.S. 20/Bypass U.S. 20 interchange in Freeport.

Conclusions:

1. Staff concerns about the liquidation value of the pledged collateral given the special-use nature of the subject facility and the limited assets of the Borrower (a special purpose entity formed to own this project0 are mitigated by the dedicated 2% Hotel Tax.
2. As noted previously, the dedicated 2% Hotel Tax that was implemented in 2004 to cover proposed debt service payments on this project generated a dedicated revenue stream sufficient to cover the new IFA/State Bank annual debt payments of $34,980 by a multiple of 2.06 times in 2009. This level of dedicated tax payments provides a very strong and dependable source of repayment compared to other IFA Participation Loans.

Recommendation:

The Credit Review Committee concurs with State Bank's request and concludes that the dedicated Hotel Tax revenues provide adequate coverage, and recommends approval of the 5-year term extension at the rates proposed (i.e., 5.0% on State Bank portion; 4.0% on IFA's participation).

MEMORANDUM

TO: Illinois Finance Authority ("IFA") Board of Directors
FROM: Brendan M. Cournane
DATE: December 14, 2010
RE: Illinois Facilities Fund, Inc. Loan Term Extension Request

IDFA Loan No. 9133-IFF	Original Note Date:	11/01/00
	Original Balance:	$1,000,000.00
	Original Interest Rate:	0.00%
	Maturity Date:	11/01/10
	Balance @ 12/14/10	$1,000,000.00

Request: **IFF,** as a successor in interest to the **Illinois Facilities Fund, Inc.** ("IFF" or the "Borrower") has made a request upon the Illinois Finance Authority (the "IFA"), as successor in interest to the Illinois Development Finance Authority (the "IDFA", and collectively the "Authority"), to approve a two-year extension of its loan term to November 1, 2012. This ten-year loan was closed by the IDFA in November 2000.

Background: Pursuant to Public Act 82-0991, an appropriation of $2,000,000 was made by the IDFA for purposes of establishing the Employee Ownership Assistance Program (the "Program"). The Program provides low interest loans to non-profit organizations focusing on child healthcare and is administered by the Borrower. Any expenses incurred by the Program are to be absorbed by the Authority.

Formed in 1988 to provide nonprofit corporations serving low-income communities with affordable financing for capital projects, IFF today has four offices serving Illinois, Indiana, Iowa, Missouri and Wisconsin.

In accordance with the terms of the Promissory Note, the loan may be prepaid in whole or in part at any time without premium or penalty. A review of the Borrower's prior loan repayment history indicates, in fact, that no prior payments of principal have been made to date.

Recommendation: IFA staff recommends approval of this two-year extension of the previous ten-year commitment term approved by the IDFA Board of Directors.

RESOLUTION NO. 2010-1214-AD20

RESOLUTION EXTENDING THE MATURITY DATE OF A PROMISSORY NOTE EVIDENCING A LOAN FROM THE ILLINOIS FINANCE AUTHORITY TO IFF (AS SUCCESSOR IN INTEREST TO THE ILLINOIS FACILITIES FUND, INC.) AND RATIFYING CERTAIN ACTIONS RELATING THERETO

WHEREAS, The Illinois Development Finance Authority ("IDFA") entered into a Loan Agreement dated as of November 1, 2000 (the "Loan Agreement"), with the Illinois Facilities Fund, Inc. (the "Borrower") for the purposes of, among other things, allowing the Borrower to originate low-interest loans to non-profit organizations for child care projects in accordance with the laws of the State of Illinois; and

WHEREAS, the Borrower's obligations under the Loan Agreement were evidenced by that certain Promissory Note (the "Note") in the principal amount of $1,000,000, which Note bears no interest and is payable in full on November 1, 2010; and

WHEREAS, subsequent to the execution and delivery of the Note and Loan Agreement, IDFA has merged into the Illinois Finance Authority, a body corporate and politic under the laws of the State of Illinois (the "Authority") which has assumed all obligations of IDFA; and

WHEREAS, subsequent to the execution and delivery of the Note and Loan Agreement, the Borrower has merged into and is now known as the IFF (the "IFF"), which has assumed all obligations of the Borrower; and

WHEREAS, the Authority and the IFF desire to extend the terms of the Loan Agreement and the maturity date of the Note for a period of one year, without penalty or interest, in order for the IFF to continue to make loans as set forth in the Loan Agreement and the Note;

NOW THEREFORE, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY THAT the maturity date of the Note is hereby extended until November 1, 2012, upon all remaining terms and conditions of the Note and Loan Agreement as originally executed and delivered; and

BE IT FURTHER RESOLVED THAT, the Executive Director of the Authority (and any designee of such Executive Director) are authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Resolution; and

BE IT FURTHER RESOLVED THAT all such actions heretofore taken by the Executive Director (or any designee of such Executive Director) in furtherance of the purposes of this Resolution, whether upon oral or written direction of the Authority, are hereby ratified; and

BE IT FURTHER RESOLVED THAT this Resolution shall be effective immediately upon adoption.

Dated this Fourteenth day of December 2010.

Ayes (10): Chairman William Brandt Jr., Vice Chairman Michael Goetz, Dr. William Barclay, Gila Bronner, Norman Gold, Dr. Roger Herrin, Edward Leonard, Terrence O'Brien, Roger Poole, Bradley Zeller

Nays (0): None

Abstain (0): None

Absent (5): Ronald DeNard, John "Jack" Durburg, James J. Fuentes, Joseph McInerney, Heather Parish

Vacant (0): None

ILLINOIS FINANCE AUTHORITY

By:________________________________
Chairman

ATTEST:

By: ________________________________
Secretary

[SEAL]

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Pam Lenane

DATE: December 14, 2010

RE: A Resolution Authorizing the Issuance of a substitute or amended and restated Revenue Refunding Bond in the aggregate principal amount of $13,607,000 in exchange for the $13,607,000 Illinois Finance Authority Revenue Refunding Bonds (Alexian Brothers Health System), Series 2009 (the "Series 2009 Bonds") in order to reduce the interest rate on the Series 2009 Bonds.

BACKGROUND:

On July 23, 2009, the Illinois Finance Authority (the "Authority") issued its $13,607,000 Revenue Refunding Bonds (Alexian Brothers Health System), Series 2009 (the "Series 2009 Bonds"), and loaned the proceeds thereof to Alexian Brothers Health System, Inc. (the "Corporation"), the proceeds of which were used to current refund the outstanding principal amount of the $32,750,000 Unit Priced Demand Adjustable Revenue Bonds, Alexian Brothers Health System, Inc., Series 1985D (Alexian Brothers Medical Center, Inc. Project).

In connection with the issuance of the Series 2009 Bonds, on July 1, 2009 the Financing Agreement (the "Financing Agreement") was executed among the Authority, the Corporation and JPMorgan Chase Bank, N.A. (the "Bondholder"). The Bondholder has agreed to reduce the interest rate payable on the Series 2009 Bonds. The current rate on the Alexian bond is (LIBOR + 3.50) x 67 percent. The proposed change is (LIBOR + 2.90) x 67 percent.

In order to record and document the lower interest rate payable with respect to the Series 2009 Bonds, a substitute or amended and restated Revenue Refunding Bond (the "Substitute Bond") is necessary. Other than the reduced interest rate, the Substitute Bond shall have the same terms and provisions as the Series 2009 Bonds, shall be secured by, and shall have the terms and provisions set forth in the Financing Agreement.

REQUEST:

The Corporation has requested that the Authority approve the issuance of the Substitute Bond in the aggregate principal amount of $13,607,000 in exchange for the $13,607,000 Illinois Finance Authority Revenue Refunding Bonds (Alexian Brothers Health System), Series 2009.

The Corporation is requesting a Substitute Bond be issued to record and document the new interest rate.

RECOMMENDATION:

The Credit Review Committee recommends approval of the issuance of the Substitute Bond in exchange for the Illinois Finance Authority Revenue Refunding Bonds (Alexian Brothers Health System), Series 2009.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Project name:	Alexian Brothers Health System Construction and Remodeling	
Locations:	Alexian Brothers Medical Center, 800 Biesterfield Road, Elk Grove Village (Cook County), IL 60007-3475 , St. Alexius Medical Center, 1555 Barrington Road, Hoffman Estates (Cook County), IL 60194-1018, and Alexian Brothers Behavioral Health Hospital, 1650 Moon Lake Boulevard, Hoffman Estates (Cook County), IL 60194-1010.	
Applicant:	Alexian Brothers Health System	
Organization:	501(c)(3) Not-for-profit Corporation	
State:	Illinois	
Board of Governors:	Brother John Howard, C.F.A.	Jerry Capizzi
	Brother James Classon	Brother Lawrence Krueger, C.F.A.
	Brother Richard Lowe, C.F.A.	Brother Thomas Keusenkothen, C.F.A
	Brother Theodore Loucks, C.F.A.	Brother Edmond Walsh, C.F.A.
	Bruce Wolfe	Kenneth McHugh

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Foley & Lardner LLP	Chicago	Karl Von Drathen
Bond Trustee:	Bank of New York Bellon	Chicago	Joan Blume
IFA Advisors:	Acacia Financial Group	Chicago	Courtney Shea
	Scott Balice Strategies, Inc.	Chicago	Lois Scott

RESOLUTION NUMBER 2010-1214-AD22

RESOLUTION APPOINTING THE EXECUTIVE DIRECTOR OF THE ILLINOIS FINANCE AUTHORITY

WHEREAS, pursuant to Section 801-15 of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act") the Authority is authorized to appoint its Executive Director from those persons nominated by the Governor; and

WHEREAS, the Illinois Finance Authority (the "Authority") has received nominations from the Governor of the State of Illinois for the office of Executive Director of the Authority; and

WHEREAS, the Executive Director shall hold office for a one-year term; shall be the chief administrative and operational officer of the Authority; shall direct and supervise its administrative affairs and general management; shall perform such other duties as may be prescribed from time to time by the members of the Authority and shall receive compensation fixed by the Authority.

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

Section 1. Authority. This Resolution is adopted pursuant to Section 801-15 and Section 801-25 of the Act. The preambles to this resolution are incorporated by reference as part of this resolution.

Section 2. Appointment of Executive Director. ____________________ has been nominated by the Governor for consideration by the Board for the office of Executive Director of the Authority. After due consideration, the members of the Authority have determined that **_________________** has satisfied all of the requirements set forth in the Act for appointment to the office of Executive Director of the Authority, including that he is knowledgeable in the areas of financial markets and instruments, and accordingly, is qualified to serve in this office. **________________** is hereby appointed as to the office of Executive Director of the Authority for a one-year term commencing on the date of adoption of this Resolution.

Section 3. Delegation of Powers. The members of the Authority hereby delegates to **____________________** all of the powers of the office of Executive Director of the Authority pursuant to the Act, the administrative rules, the By-Laws of the Authority and any Authority resolution ("the Act, rule, or resolution"), including but not limited to, the following duties and powers: (1) to direct and supervise the administrative affairs and general management of the Authority as its chief administrative and operational officer; (2) to enter into and execute loans, contracts, agreements and mortgages connected with the corporate purposes of the Authority; (3) to invest the funds of the Authority; (4) to employ agents, employees, and independent contractors to carry out the corporate purposes of the Authority and to fix the compensation, benefits, and contractual terms and conditions of such agents, employees, and independent contractors;

(5) to execute all agreements, documents, bonds, notes, checks, drafts and other instruments authorized by the Act, rule or resolution with the intent that the Authority be bound by each; and (6) other powers and duties as may be prescribed from time to time by the members of the Authority.

Section 4. Compensation. The compensation of the Executive Director will be established by the Board.

Section 5. Additional Authorization to Execute Documents. The members of the Authority desire to provide the Executive Director with an additional resource in furtherance of the performance of his administrative duties through the authorization of an additional signatory for the execution of all agreements, documents, bonds, notes, checks, drafts and other instruments (the "Authority Documents") on behalf of the Authority. The members of the Authority hereby authorize the Executive Director to designate in writing one or more authorized representatives who may execute any and all Authority Documents which may be executed by the Executive Director pursuant to the Act, the administrative rules, or the By-Laws of the Authority, or any Authority resolution, agreement, document or other instrument, with the effect that the Authority be bound thereby, such authorization to be effective until revoked by the Executive Director or the members of the Authority. Each such designation will be in writing signed by the Executive Director and shall set forth the names of such designees who may execute Authority Documents when the Executive Director is incapacitated, absent or otherwise unavailable to execute Authority Documents.

Section 6. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

Section 7. Repeal of Conflicting Resolutions. This resolution is intended to supersede all previous resolutions of the Board which are in conflict with the provisions hereof. To that end, all resolutions previously adopted by the Board which are in conflict with the provisions hereof are repealed, in whole or in part, to the extent of such conflict.

Section 8. Enactment. This Resolution shall take effect immediately.

This Resolution No. 2010-12-14__ is adopted this 14th day of December 2010, by roll call vote as follows:

Ayes (10): Chairman William Brandt Jr., Vice Chairman Michael Goetz, Dr. William Barclay, Gila Bronner, Norman Gold, Dr. Roger Herrin, Edward Leonard, Terrence O'Brien, Roger Poole, Bradley Zeller

Nays (0): None

Abstain (0): None

Absent (5): Ronald DeNard, John "Jack" Durburg, James J. Fuentes, Joseph McInerney, Heather Parish

Vacant (0):

ILLINOIS FINANCE AUTHORITY

By: ________________________________
Chairman

ATTEST:

By: ______________________
Secretary

[SEAL]

RESOLUTION 2010-1214-AD23

ADOPTING REPORT OF THE COMPENSATION COMMITTEE OF THE ILLINOIS FINANCE AUTHORITY

WHEREAS, the Illinois Finance Authority (the "Authority") is a body corporate and politic duly organized and existing under the laws of the State of Illinois, particularly the Illinois Finance Authority Act, 20 ILCS 3501/801-1, *et seq.* (the "Act"); and

WHEREAS, pursuant to the Act, particularly the provisions of Section 801-30 thereof, the Authority possesses all the powers as a body corporate necessary and convenient to accomplish the purposes of the Act, including, but not limited to, power "(c) to employ agents and employees and independent contractors necessary to carry out its purposes and to fix their compensation, benefits and terms and conditions of their employment;" and

WHEREAS, the Authority has heretofore implemented certain compensation and benefit plans in the form of certain resolutions, including but not limited to, Resolution 2004-13, adopted on June 22, 2004, Resolution 2004-23, adopted on October 12, 2004, Resolution 2007-02, adopted on July 11, 2006, and a Resolution adopted on February 12, 2008 (collectively and together with any other resolutions heretofore adopted by the Authority relating to compensation matters for employees of the Authority, the "Prior Resolutions"); and

WHEREAS, on the date hereof, the Compensation Committee of the Board has met and prepared a management and compensation plan for employees and agents of the Authority (the "2010 Compensation Plan"); and

WHEREAS, the Authority has determined that it will advance the purposes of the Act and will be in the best interests of the citizens of the State to adopt the 2010 Compensation Plan;

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 of 2010 Compensation Plan for IFA Employees. The 2010 Compensation Plan as heretofore delivered to the Board is hereby accepted and approved.

Section 3. Delegation of Authority to Administer and Implement the Plan. The Authority hereby authorizes, empowers and directs the Executive Director to take the necessary actions to administer and implement the 2010 Compensation Plan within the parameters established in this Resolution in the name and on behalf of the Authority.

Section 4. Additional Actions. The Authority hereby authorizes, empowers and directs the Executive Director of the Authority or his designee, including, but not limited to, the Chief Human Resources Officer of the Authority and the General Counsel of the Authority, to take or cause to be taken any and all such other 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 each, in his or her discretion, may deem necessary, appropriate or advisable in order to carry out the purpose and intent of this Resolution.

Section 5. Repeal of Prior Resolutions. All resolutions and actions in conflict with the provisions hereof, including, but not limited to, the Prior Resolutions, are hereby repealed to the extent of such conflict.

Section 6. Prior Actions. All prior actions taken by the Executive Director, the Chief Human Resources Officer and the General Counsel of the Authority, including any designees thereof, in conformity with the purposes of this resolution and the 2010 Compensation Plan, are, in all respects, ratified, approved and confirmed.

Section 7. Severability. All provisions of this resolution are hereby declared to be separate and severable; 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 sections, paragraphs or provisions of this resolution.

Section 8. Enactment and Effective Date. This Resolution is *effective* immediately upon its adoption.

This Resolution 2010-12-14-AD23 is adopted this 14th day of December 2010, by the following vote:

Ayes:

Nays:

Abstain:

Absent:

____
Chairman

Attested to:

____
Secretary

RESOLUTION NO. 2010-1214-AD24

RESOLUTION REALLOCATING RECOVERY ZONE FACILITY BOND ALLOCATIONS TO THE CITY OF GREENVILLE, BOND COUNTY, ILLINOIS, AND RATIFYING CERTAIN ACTIONS RELATING THERETO

WHEREAS, Section 1401 of Title I of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 Stat. 115 2009 (“ARRA”) authorizes state and local governments to issue, among other things, Recovery Zone Facility Bonds; and

WHEREAS, Recovery Zone Facility Bonds may be used to finance certain “recovery zone property,” as such terms are defined in ARRA; and

WHEREAS, the term “Recovery Zone” means: (1) any area designated by the issuer as having significant poverty, unemployment, rate of home foreclosures or general distress; (2) any area designated by the issuer as economically distressed by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990, and (3) any area for which a designation as an empowerment zone or renewal community is in effect as of the effective date of ARRA, which effective date is February 17, 2009; and

WHEREAS, Recovery Zone Facility Bonds must be issued no later than December 31, 2010; and

WHEREAS, the Illinois Finance Authority (the “Authority”), has heretofore received not less than $248,908,000 volume cap allocation of Recovery Zone Facility Bonds from various counties and cities across the State of Illinois, of which not less than $113,908,000 remains available; and

WHEREAS, the Authority has been requested by the City of Greenville, Bond County, Illinois (the “City”), to reallocate not more than $7,300,000 Recovery Zone Facility Bond allocation volume cap to be used by the City for eligible costs of recovery zone property; and

WHEREAS, the Authority has determined that it is in the best interest of the residents of the State of Illinois to reallocate and waive not to exceed $7,300,000 in Recovery Zone Facility Bond allocation volume cap to the City, all in accordance with the provisions of 20 ILCS 3501/825-105 (the Act") to be applied toward the issuance of recovery zone facility bonds by the City to finance eligible costs related to recovery zone property;

NOW THEREFORE, BE IT RESOLVED BY THE ILLINOIS FINANCE AUTHORITY THAT there is hereby reallocated to the City, Recovery Zone Facility Bond allocation volume cap in the amount of $7,267,000 to be used for the purposes described herein, and the adoption of this Resolution shall be deemed to be an allocation of such Recovery Zone Facility Bond allocation volume cap to the City in accordance with the Act; and

BE IT FURTHER RESOLVED THAT, the Executive Director of the Authority (and any designee of such Executive Director) are authorized, empowered and directed to do all such acts and things and to execute all such documents and certificates as may be necessary to further the purposes and intent of this Resolution; and

BE IT FURTHER RESOLVED THAT all such actions heretofore taken by the Executive Director in furtherance of the purposes of this Resolution, whether upon oral or written direction of the Authority, are hereby ratified; and

BE IT FURTHER RESOLVED THAT this Resolution shall be effective immediately upon adoption.

Dated this Fourteenth day of December 2010.

Ayes (10): Chairman William Brandt Jr., Vice Chairman Michael Goetz, Dr. William Barclay, Gila Bronner, Norman Gold, Dr. Roger Herrin, Edward Leonard, Terrence O'Brien, Roger Poole, Bradley Zeller

Nays (0): None

Abstain (0): None

Absent (5): Ronald DeNard, John "Jack" Durburg, James J. Fuentes, Joseph McInerney, Heather Parish

Vacant (0): None

ILLINOIS FINANCE AUTHORITY

By:________________________________
Chairman

ATTEST:

By: __________________________________
Secretary

[SEAL]

RESOLUTION 2010-1214-AD25

AUTHORIZING THE AUTHORITY TO ESTABLISH A MEDICAID RECIEVABLES PROGRAM TO PROVIDE PAYMENT TO MEDICAID PROVIDERS IN ILLINOIS AND DELEGATING TO THE EXECUTIVE DIRECTOR OF THE AUTHORITY TO DEVELOP AND IMPLEMENT SAID PROGRAM

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

WHEREAS, in Section 801-5(n) of the Act, the General Assembly has found, determined and declared "that to preserve and protect the health of the citizens of the State, and lower the costs of health care, that financing for health facilities should be provided through the State" and has further found, determined and declared that the Authority should seek to increase job opportunities and to retain existing jobs throughout the State by making available funds "for the development, improvement and creation. . . of health, public purpose and other projects;" and

WHEREAS, the Authority has been advised and has determined that as a result of a current cash flow deficit, that the State of Illinois has been forced to delay payment to many Medicaid providers, including hospitals, nursing homes, pharmacists, home health providers and medical transportation providers; and

WHEREAS, the Authority has determined that it will advance the purposes of the Act and will be in the best interests of the citizens of the State to develop a program to assist in payment of these delayed Medicaid payments; 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; and

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

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

Section 2. Creation of Program. The Authority does hereby direct the Executive Director and staff to proceed to develop a Medicaid Receivables Program, and to work with attorneys, financial advisors, and participating financial institutions, as well as with the Governor's Office of Management and Budget and the Department of Health and Family Services to establish a financial plan for the program and documentation to accomplish same. The plan and documentation will then be presented to the Board for their approval.

Section 3. 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 the Resolution.

This Resolution 2010-1214-AD25 is adopted this 14th day of December 2010 by roll vote as follows:

Ayes (10): Chairman William Brandt Jr., Vice Chairman Michael Goetz, Dr. William Barclay, Gila Bronner, Norman Gold, Dr. Roger Herrin, Edward Leonard, Terrence O'Brien, Roger Poole, Bradley Zeller

Nays (0): None

Abstain (0): None

Absent (5): Ronald DeNard, John "Jack" Durburg, James J. Fuentes, Joseph McInerney, Heather Parish

Vacant (0): None

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Chairman

Attested to:

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Secretary