ILLINOIS FINANCE AUTHORITY
BOARD MEETING
Tuesday, September 14, 2010
Chicago, Illinois

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

AGENDA

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

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

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

AGRICULTURE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Beginning Farmer Bonds *Final (One-Time Considerations)*						
1	A) Derek R. Fritschle	Olney (Richland County)	$ 125,000	0	0	ER
	B) Shawn P. & Amy S. Krass	Garden Prairie (McHenry County)	$ 205,000	0	0	ER
	C) Brett Alan Richter	Highland (Clinton County)	$ 150,600	0	0	ER
TOTAL AGRICULTURE PROJECTS			$ 480,600	0	0	

BUSINESS AND INDUSTRY

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Midwestern Disaster Area Revenue Bonds *Final*						
2	KONE Centre Investment Fund, LLC	Moline (Rock Island County)	$ 21,000,000	50	53	KD/RF
Recovery Zone Facility Revenue Bonds *Final (One-Time Consideration)*						
3	Navistar International Corporation	Lisle (DuPage County) Joliet (Will County)	$ 145,000,000	542	400	RF
Gas Supply Revenue Bonds *Final (One-Time Consideration)*						
4	The Peoples Gas Light and Coke Company	Chicago (Cook County)	$ 50,000,000	N/A	N/A	RF
Industrial Revenue Bonds *Preliminary*						
5	950 Sivert Street LLC, an Illinois limited liability company to be formed, on behalf of Wiegel Tool Works, Inc. and its affiliates, successors, or assigns	Wood Dale (DuPage County)	$ 4,200,000	20	5	RF
TOTAL BUSINESS AND INDUSTRY PROJECTS			$ 220,200,000	612	458	

LOCAL GOVERNMENT

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
Financially Distressed Cities Debt Restructuring Refunding Revenue Bonds *Final (One-Time Consideration)*						
6	City of East St. Louis	East St Louis (St. Clair County)	$2,500,000	N/A	N/A	KD
TOTAL LOCAL GOVERNMENT PROJECTS			$2,500,000	0	0	

HEALTHCARE

Tab	Project	Location	Amount	New Jobs	Const Jobs	FM
501(c)(3) Revenue Bonds *Final*						
7	Little Company of Mary Hospital	Evergreen Park and 5 satellite locations in Cook County	$ 73,000,000	N/A	675	PL/SG
8	Provena Health	Multiple Locations throughout Northern and East Central Illinois	$ 75,000,000	N/A	N/A	PL/SG
501(c)(3) Revenue Bonds *Preliminary*						
9	Beloit Health System	Roscoe (Winnebago County)	$ 42,000,000	N/A	N/A	PL/SG
TOTAL HEALTHCARE PROJECTS			$ 190,000,000	0	675	
GRAND TOTAL			**$ 413,180,600**	**612**	**1,133**	

RESOLUTIONS

Tab	Project	FM
Amendatory Resolutions / Resolutions		
10	Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement , which provides for the addition of a new interest rate mode, and related matters in connection with the Outstanding 501(c)(3) Revenue Bonds (The Thresholds Project Series 2005).	RF
11	Resolution approving an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement related to the Revenue Refunding Bonds, Series 1999A (Beacon Hill), Revenue Refunding Bonds, Series 2005A (Beacon Hill), and Revenue Refunding Bonds, Series 2005B (Beacon Hill) extendable rate adjustable securities (EXTRAS) issued by the Illinois Finance Authority and predecessors.	PL
12	Resolution authorizing the execution and delivery of a First Supplemental Bond Trust Indenture relating to the Variable Rate Demand Revenue Bonds, Series 2008E issued for the benefit of Elmhurst Memorial Healthcare to revise qualifications of the Remarketing Agent.	PL
13	Resolution Authorizing an Amendment to the Series 1995 & Series 1996 Bond Trust Indenture and Loan Agreements to provide for the issuance of beneficial interests in the Series 1995 Bonds and the Series 1996 Bonds through a book entry only system. (NorthShore University HealthSystem)	PL
14	Resolution in Support of FutureGen 2.0	
15	Delegation of Signatory Authority to Certain Officers	

OTHER BUSINESS
ADJOURNMENT

IFA
ILLINOIS FINANCE AUTHORITY

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Chicago, IL 60601
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312-651-1350 fax
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September 14, 2010

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

RE: Message from the Executive Director

Dear Members of the Authority:

Leveraging our experience and expertise, the Illinois Finance Authority ("IFA") works to provide innovative financing solutions for our borrowers and the people of Illinois. This month, we are able to highlight three examples where the IFA has worked with our borrowers and other financing partners to eliminate obstacles and bring projects to successful conclusions.

First, under the leadership of Governor Pat Quinn and through cooperative partnerships with both the Illinois General Assembly and counties and cities across Illinois, IFA is successfully encouraging the use of federal Recovery Zone Bonds before this program expires. Second, after years of effort, IFA is proud to be a partner with a new Continuing Care Retirement Community as it breaks ground on new construction. Third and finally, we are pleased to share in the celebration of a newly-opened union training facility on re-used industrial property in Chicago.

Encouraging Recovery Zone Financing – before it expires

1. Navistar

We are very pleased to present to the Board the $145 million tax-exempt conduit financing of the Navistar headquarters project in Lisle along with a warehouse facility in Joliet for one-time final consideration. The Navistar project will be financed through Recovery Zone Facilities Bonds ("RZFB"), a federal Stimulus program that expires at the end of this calendar year. On September 8, Governor Pat Quinn announced that Navistar's corporate world headquarters will remain in Illinois. The IFA RZFB bond financing complements the investment package provided by the State of Illinois through the Department of Commerce and Economic Opportunity ("DCEO") to Navistar.

The Recovery Zone program makes reduced cost, federally tax-exempt financing available to large-scale corporate job retention and creation projects like Navistar that would not usually qualify for such financing.

As originally enacted by Congress, the IFA was not involved in this important program. The expanded Recovery Zone tax-exempt bonding authority or "volume cap" was distributed by the federal government directly to the 102 counties and the eight Illinois cities with populations over 100,000. However, the counties and cities that received Recovery Zone authorization had no means to share or pool these resources if they could not or would not use the RZFB authorization. This program flaw hindered the maximum use of this potentially important job retention/creation program.

In his December 2009 Economic Recovery Plan, Governor Quinn announced that would seek legislation to consolidate and ensure the use of the Recovery Zone resources. The result was Public Act 96-1020 (HB 2369; Mautino-Bradley-Moffitt-Yarbrough-Chapa-LaVia; Wilhelmi-Koehler-Althoff-Hendon) that was signed into law on July 10, 2010. IFA then began encouraging the 110 counties and cities that had received Recovery Zone authorization to use it or cede it to the IFA before the program expired on December 31, 2010. As part of this effort, IFA will soon be regularly reporting to the General Assembly on the use to date of the Recovery Zone resources.

As a result, the IFA was ready with the proper tools when low-cost financing was needed as part of the State's job retention and creation investment package for Navistar. We look forward to continuing to work with Navistar to bring this project to a successful conclusion. We also thank that numerous counties and cities that are working to pool their Recovery Zone volume cap with IFA to support Navistar's financing. Finally, we urge those counties and cities that cannot or will not use their Recovery Zone resources to waive their allocations to the IFA so this important, yet expiring resource, can be used to put people to work in Illinois.

2. Annex II

While the Recovery Zone program is both relatively complex and new for the IFA, we already have a success. In close partnership with Monroe and Randolph counties, the IFA closed the $4.585 million Annex II project on August 24, 2010. This bond issue financed the re-use of caves and tunnels created by an abandoned limestone quarry located in the bluffs near the Mississippi River in Valmeyer in southwestern Illinois into a military records storage facility. Without IFA's pooled Recovery Zone program, Annex II would not qualify for federally tax-exempt conduit financing.

Continuing Care Retirement Communities – Important to Our Future

As our population ages, CCRCs are destined to play a larger, more important role in our economy in general and in the operations of the IFA in particular. IFA has long been a leader in the financing of CCRCs and, since July 1, 2010, the IFA has closed three CCRC bond financings: The Clare at Water Tower Place in Chicago; Christian Homes in Central Illinois; and Greenfields of Geneva in Kane County. Given the importance of the CCRC sector, we have begun to identify CCRC financings separately from traditional healthcare financings in the attached list of "Bonds Issued and Outstanding."

The Greenfields project, a CCRC, is an example of the many successful long-term partnerships between the IFA and its borrowers. Friendship Village of Schaumburg, the parent of the Greenfields project, has been a longtime and valued partner of the IFA. When Friendship Village planned a new CCRC project, Greenfields, it faced difficulties in obtaining pre-construction financing. Using an innovative structure, Bond Anticipation Notes ("BANs"), Greenfields was able to fund pre-construction development costs through IFA financing in 2007 and 2008. On August 31, the $117.6 million Greenfields project closed and the IFA BANs were retired. Greenfields would not be under construction today in Kane County had IFA not been willing to approve the BANs.

Training Workers – Close to Where They Live

Located in the Austin neighborhood on Chicago's Westside, the Chicagoland Laborers' District Council state-of-the-art union training facility stands out as a creative IFA conduit project. The training facility is expected to train up to 3000 people annually. The innovative IFA financing on this $22.5 million project closed in 2008.

On September 10, the Laborers inaugurated the newly-opened facility with a ribbon cutting ceremony attended by Governor Quinn, Mayor Daley, Senate President Cullerton, House Speaker Madigan, 29th Ward Alderman Deborah Graham as well as national and local leadership of the Laborers' union. Not only does this project place long dormant industrial property back into productive use, but it places union training opportunities within a convenient commute of residents of the City of Chicago and Cook County's western suburbs.

Conclusion

We congratulate our Chairman, William A. Brandt, Jr. and our Vice-Chairman, Michael W. Goetz on their re-appointment to our Board by Governor Pat Quinn. We also welcome our newest Board member, Heather Parish. Finally, we thank Roderick Bashir for his service on the IFA Board and wish him luck in his new assignment on the Illinois State Board of Investments.

I look forward to working with you and all of the Board members as work to continue our record of innovative successes.

Respectfully,

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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
August 31, 2010

	Actual August 2010	Budget August 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	87,747	65,042	22,705	34.91%	222,633	145,860	76,773	52.63%	1,146,121	19.42%
INVESTMENT INTEREST & GAIN(LOSS)	5,958	1,709	4,249	248.62%	11,356	3,418	7,938	232.24%	20,500	55.40%
ADMINISTRATIONS & APPLICATION FEES	376,602	316,899	59,703	18.84%	1,132,699	652,248	480,451	73.66%	3,569,338	31.73%
ANNUAL ISSUANCE & LOAN FEES	44,754	47,951	(3,197)	-6.67%	79,334	96,544	(17,210)	-17.83%	582,892	13.61%
OTHER INCOME	6,878	6,878	-	0.00%	14,133	13,756	377	2.74%	82,537	100.00%
TOTAL REVENUE	521,939	438,479	83,460	19.03%	1,460,155	911,826	548,329	60.14%	5,401,388	27.03%
EXPENSES										
EMPLOYEE RELATED EXPENSES										
COMPENSATION & TAXES	180,497	181,888	(1,391)	-0.76%	389,762	363,776	25,986	7.14%	2,354,798	16.55%
BENEFITS	16,860	22,512	(5,652)	-25.11%	43,170	45,024	(1,854)	-4.12%	286,314	15.08%
TEMPORARY HELP	340	417	(77)	-18.47%	967	834	133	15.95%	5,000	19.34%
EDUCATION & DEVELOPMENT	150	1,667	(1,517)	-91.00%	150	3,333	(3,183)	-95.50%	20,000	0.75%
TRAVEL & AUTO	1,773	6,250	(4,477)	-71.63%	6,637	12,500	(5,863)	-46.90%	75,000	8.85%
TOTAL EMPLOYEE RELATED EXPENSES	199,620	212,734	(13,114)	-6.16%	440,686	425,467	15,219	3.58%	2,741,112	16.08%
PROFESSIONAL SERVICES										
CONSULTING, LEGAL & ADMIN	21,008	20,833	175	0.84%	41,883	41,667	216	0.52%	250,000	16.75%
LOAN EXPENSE & BANK FEE	9,398	10,875	(1,477)	-13.58%	19,400	21,750	(2,350)	-10.80%	130,500	14.87%
ACCOUNTING & AUDITING	26,518	26,326	192	0.73%	54,836	52,652	2,184	4.15%	315,904	17.36%
MARKETING GENERAL	11,312	2,083	9,229	443.06%	11,414	4,166	7,248	173.98%	25,000	45.66%
FINANCIAL ADVISORY	23,750	31,250	(7,500)	-24.00%	47,500	62,500	(15,000)	-24.00%	375,000	12.67%
CONFERENCE/TRAINING	50	1,667	(1,617)	-97.00%	434	3,334	(2,900)	-86.98%	20,000	2.17%
MISC. PROFESSIONAL SERVICES	17,142	15,375	1,767	11.49%	32,517	30,750	1,767	5.75%	184,500	17.62%
DATA PROCESSING	3,635	4,583	(948)	-20.69%	5,957	9,166	(3,209)	-35.01%	55,000	10.83%
TOTAL PROFESSIONAL SERVICES	112,813	112,992	(179)	-0.16%	213,941	225,985	(12,044)	-5.33%	1,355,904	15.78%

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OCCUPANCY COSTS										
OFFICE RENT	22,325	22,840	(515)	-2.25%	44,382	45,680	(1,298)	-2.84%	274,076	16.19%
EQUIPMENT RENTAL AND PURCHASES	2,932	1,700	1,232	72.47%	4,301	3,400	901	26.50%	20,400	21.08%
TELECOMMUNICATIONS	3,890	5,050	(1,160)	-22.97%	7,353	10,100	(2,747)	-27.20%	60,600	12.13%
UTILITIES	816	917	(101)	-11.01%	1,871	1,834	37	2.02%	11,000	17.01%
DEPRECIATION	2,569	4,109	(1,540)	-37.48%	5,197	8,218	(3,021)	-36.76%	49,305	10.54%
INSURANCE	1,929	1,900	29	1.53%	3,858	3,800	58	1.53%	22,800	16.92%
TOTAL OCCUPANCY COSTS	34,461	36,516	(2,055)	-5.63%	66,962	73,032	(6,070)	-8.31%	438,181	15.28%
GENERAL & ADMINISTRATION										
OFFICE SUPPLIES	2,959	4,458	(1,499)	-33.62%	7,036	8,916	(1,880)	-21.09%	53,500	13.15%
BOARD MEETING - EXPENSES	1,665	3,000	(1,335)	-44.50%	5,860	6,000	(140)	-2.33%	36,000	16.28%
PRINTING	652	542	110	20.30%	1,134	1,083	51	4.71%	6,500	17.45%
POSTAGE & FREIGHT	1,214	1,250	(36)	-2.88%	2,389	2,500	(111)	-4.44%	15,000	15.93%
MEMBERSHIP, DUES & CONTRIBUTIONS	926	2,708	(1,782)	-65.81%	1,654	5,416	(3,762)	-69.46%	32,500	5.09%
PUBLICATIONS	-	250	(250)	-100.00%	159	500	(341)	-68.20%	3,000	5.30%
OFFICERS & DIRECTORS INSURANCE	21,141	15,833	5,308	33.52%	37,746	31,666	6,080	19.20%	190,000	19.87%
MISCELLANEOUS	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL GENL & ADMIN EXPENSES	28,557	28,041	516	1.84%	55,978	56,081	(103)	-0.18%	336,500	16.64%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	50,000	50,000	-	0.00%	300,000	16.67%
OTHER										
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TOTAL EXPENSES	400,451	415,283	(14,832)	-3.57%	827,567	830,565	(2,998)	-0.36%	5,171,697	16.00%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	121,488	23,196	98,292	423.75%	632,588	81,261	551,327	678.46%	229,691	275.41%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
TRANSFER	-	-	-	0.00%	-	-	-	0.00%	-	-
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%	-	-
NET INCOME/(LOSS)	121,488	23,196	98,292	423.75%	632,588	81,261	551,327	678.46%	229,691	275.41%

Illinois Finance Authority
General Fund - Actual to Actual
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	Actual August 2010	Actual August 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	87,747	101,549	(13,802)	-13.59%	222,633	204,799	17,834	8.71%
INVESTMENT INTEREST & GAIN(LOSS)	5,958	4,734	1,224	25.86%	11,356	9,989	1,367	13.69%
ADMINISTRATIONS & APPLICATION FEES	376,602	560,994	(184,392)	-32.87%	1,132,699	1,098,721	33,978	3.09%
ANNUAL ISSUANCE & LOAN FEES	44,754	119,789	(75,035)	-62.64%	79,334	167,197	(87,863)	-52.55%
OTHER INCOME	6,878	7,710	(832)	-10.79%	14,133	24,242	(10,109)	-41.70%
TOTAL REVENUE	521,939	794,776	(272,837)	-34.33%	1,460,155	1,504,948	(44,793)	-2.98%
EXPENSES								
EMPLOYEE RELATED EXPENSES								
COMPENSATION & TAXES	180,497	270,005	(89,508)	-33.15%	389,762	494,656	(104,894)	-21.21%
BENEFITS	16,860	21,138	(4,278)	-20.24%	43,170	44,844	(1,674)	-3.73%
TEMPORARY HELP	340	2,541	(2,201)	-86.62%	967	5,280	(4,313)	-81.69%
EDUCATION & DEVELOPMENT	150	1,035	(885)	-85.51%	150	1,035	(885)	-85.51%
TRAVEL & AUTO	1,773	3,773	(2,000)	-53.01%	6,637	4,934	1,703	34.52%
TOTAL EMPLOYEE RELATED EXPENSES	199,620	298,492	(98,872)	-33.12%	440,686	550,749	(110,063)	-19.98%
PROFESSIONAL SERVICES								
CONSULTING, LEGAL & ADMIN	21,008	16,346	4,662	28.52%	41,883	32,088	9,795	30.53%
LOAN EXPENSE & BANK FEE	9,398	9,405	(7)	-0.07%	19,400	17,070	2,330	13.65%
ACCOUNTING & AUDITING	26,518	22,813	3,705	16.24%	54,836	45,626	9,210	20.19%
MARKETING GENERAL	11,312	16	11,296	70600.00%	11,414	16	11,398	71237.50%
FINANCIAL ADVISORY	23,750	18,333	5,417	29.55%	47,500	36,666	10,834	29.55%
CONFERENCE/TRAINING	50	1,770	(1,720)	-97.18%	434	1,770	(1,336)	-75.48%
MISC. PROFESSIONAL SERVICES	17,142	-	17,142	0.00%	32,517	-	32,517	0.00%
DATA PROCESSING	3,635	2,835	800	28.22%	5,957	5,368	589	10.97%
TOTAL PROFESSIONAL SERVICES	112,813	71,518	41,295	57.74%	213,941	138,604	75,337	54.35%

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	Actual August 2010	Actual August 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	22,325	22,567	(242)	-1.07%	44,382	44,673	(291)	-0.65%
EQUIPMENT RENTAL AND PURCHASES	2,932	3,644	(712)	-19.54%	4,301	7,597	(3,296)	-43.39%
TELECOMMUNICATIONS	3,890	5,414	(1,524)	-28.15%	7,353	10,865	(3,512)	-32.32%
UTILITIES	816	1,003	(187)	-18.64%	1,871	2,010	(139)	-6.92%
DEPRECIATION	2,569	5,227	(2,658)	-50.86%	5,197	10,455	(5,258)	-50.29%
INSURANCE	1,929	1,951	(22)	-1.13%	3,858	3,812	46	1.21%
TOTAL OCCUPANCY COSTS	34,461	39,806	(5,345)	-13.43%	66,962	79,412	(12,450)	-15.68%
GENERAL & ADMINISTRATION								
OFFICE SUPPLIES	2,959	2,793	166	5.94%	7,036	6,612	424	6.41%
BOARD MEETING - EXPENSES	1,665	6,646	(4,981)	-74.95%	5,860	6,882	(1,022)	-14.85%
PRINTING	652	499	153	30.66%	1,134	1,068	66	6.18%
POSTAGE & FREIGHT	1,214	584	630	107.88%	2,389	1,853	536	28.93%
MEMBERSHIP, DUES & CONTRIBUTIONS	926	819	107	13.06%	1,654	2,399	(745)	-31.05%
PUBLICATIONS	-	93	(93)	-100.00%	159	87	72	82.76%
OFFICERS & DIRECTORS INSURANCE	21,141	13,683	7,458	54.51%	37,746	30,600	7,146	23.35%
MISCELLANEOUS	-	-	-	-	-	-	-	-
TOTAL GENL & ADMIN EXPENSES	28,557	25,117	3,440	13.70%	55,978	49,501	6,477	13.08%
LOAN LOSS PROVISION/BAD DEBT	25,000	25,000	-	0.00%	50,000	50,000	-	0.00%
OTHER								
INTEREST EXPENSE	-	-	-	0.00%	-	-	-	0.00%
TOTAL OTHER	-	-	-	0.00%	-	-	-	0.00%
TOTAL EXPENSES	400,451	459,933	(59,482)	-12.93%	827,567	868,266	(40,699)	-4.69%
NET INCOME (LOSS) BEFORE UNREALIZED GAIN/(LOSS) & TRANSFERS	121,488	334,843	(213,355)	-63.72%	632,588	636,682	(4,094)	-0.64%
NET UNREALIZED GAIN/(LOSS) ON INVESTMENT	-	-	-	0.00%	-	-	-	0.00%
TRANSFER	-	-	-	0.00%	-	31,938	(31,938)	-100.00%
REVENUE GRANT	-	-	-	0.00%	-	-	-	0.00%
APPROPRIATIONS FROM STATE	-	-	-	0.00%	-	-	-	0.00%
NET INCOME/(LOSS)	121,488	334,843	(213,355)	-63.72%	632,588	668,620	(36,032)	-5.39%

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

Item Number	Description	Percentage Completed
		10 20 30 40 50 60 70 80 90 100
Total Number of 4		
FY 09 Immaterial Findings		
IM09-01	Failure to Report Revenue Bond Information to the Illinois Office of the Comptroller	
IM09-02	Inaccurate Agency Report of State Property (C-15)	
IM09-03	Lack of Disaster Contingency Testing to Ensure Recovery of Computer Systems	
IM09-04	Weaknesses Regarding the Security and Control of Confidential Information	

Illinois Finance Authority
FY09 Audit Finding: Material
Update as of August 31, 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 a	

Illinois Finance Authority
General Fund
Unaudited
Balance Sheet
for the Two Months Ending August 31, 2010

	Actual August 2010
ASSETS	
CASH & INVESTMENTS, UNRESTRICTED	$ 21,422,023
RECEIVABLES, NET	543,276
LOAN RECEIVABLE, NET	19,475,440
OTHER RECEIVABLES	142,606
PREPAID EXPENSES	196,603
TOTAL CURRENT ASSETS	41,779,948
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	58,131
DEFERRED ISSUANCE COSTS	346,764
OTHER ASSETS	
CASH, INVESTMENTS & RESERVES	1,581,020
VENTURE CAPITAL INVESTMENTS	-
OTHER	(859)
TOTAL OTHER ASSETS	1,580,161
TOTAL ASSETS	$ 43,765,004
LIABILITIES	
CURRENT LIABILITIES	$ 1,703,336
LONG-TERM LIABILITIES	503,811
TOTAL LIABILITIES	2,207,147
EQUITY	
CONTRIBUTED CAPITAL	4,111,479
RETAINED EARNINGS	24,842,492
NET INCOME / (LOSS)	632,588
RESERVED/RESTRICTED FUND BALANCE	1,732,164
UNRESERVED FUND BALANCE	10,239,134
TOTAL EQUITY	41,557,857
TOTAL LIABILITIES & EQUITY	$ 43,765,004

Illinois Finance Authority
Consolidated
Unaudited
Balance Sheet
for the Two Months Ending August 31, 2010

	Actual August 2009	Actual August 2010
ASSETS		
CASH & INVESTMENTS, UNRESTRICTED	$ 29,065,000	$ 34,949,366
RECEIVABLES, NET	171,662	543,276
LOAN RECEIVABLE, NET	48,295,317	42,692,277
NOTES RECEIVABLE	46,643,074	45,134,874
OTHER RECEIVABLES	718,480	1,615,724
PREPAID EXPENSES	204,338	196,603
TOTAL CURRENT ASSETS	125,097,871	125,132,120
FIXED ASSETS, NET OF ACCUMULATED DEPRECIATION	88,229	58,131
DEFERRED ISSUANCE COSTS	561,131	470,745
OTHER ASSETS		
CASH, INVESTMENTS & RESERVES	36,959,577	40,698,684
VENTURE CAPITAL INVESTMENTS	5,377,739	2,512,917
OTHER	3,000,000	3,000,000
TOTAL OTHER ASSETS	45,337,316	46,211,601
TOTAL ASSETS	$ 171,084,547	$ 171,872,597
LIABILITIES		
CURRENT LIABILITIES	786,417	1,817,886
BONDS PABYABLE	55,285,000	54,385,000
OTHER LIABILITIES	1,313,285	2,684,703
TOTAL LIABILITIES	57,384,702	58,887,589
EQUITY		
CONTRIBUTED CAPITAL	35,608,692	35,608,692
RETAINED EARNINGS	27,173,957	26,227,036
NET INCOME / (LOSS)	797,832	749,785
RESERVED/RESTRICTED FUND BALANCE	37,471,193	37,751,324
UNRESERVED FUND BALANCE	12,648,171	12,648,171
TOTAL EQUITY	113,699,845	112,985,008
TOTAL LIABILITIES & EQUITY	$ 171,084,547	$ 171,872,597

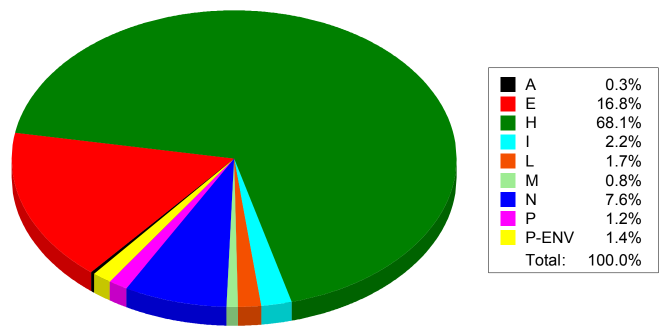
Bonds Issued and Outstanding
as of August 31, 2010

Bonds Issued Since Inception

#	Market Sector	Principal Amount ($)
9	Agriculture	58,298,835
97	Education	3,806,258,100
308	Healthcare *	15,458,793,508
73	Industrial	495,940,669
26	Local Government	376,160,000
19	Multifamily/Senior Housing	175,417,900
129	501(c)(3) Not-for Profits	1,709,398,195
8	Exempt Facilities Bonds	275,700,000
9	Environmental issued under 20 ILCS 3515/9	326,630,000
		$ 22,682,597,207

* Includes CCRC's

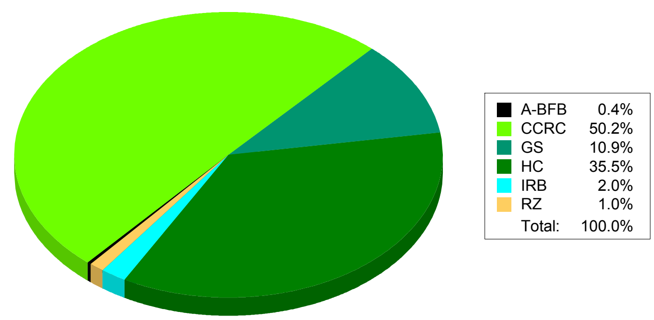
Bonds Issued Since Inception



Current Fiscal Year

# Market Sector	Principal Issued
Agriculture - Beginner Farmer	1,716,251
Healthcare - CCRC	230,105,000
Gas Supply	50,000,000
Healthcare	162,925,000
Industrial Revenue	9,230,000
Recovery Zone	4,585,000
	$ 458,561,251

Bonds Issued - Current Fiscal Year

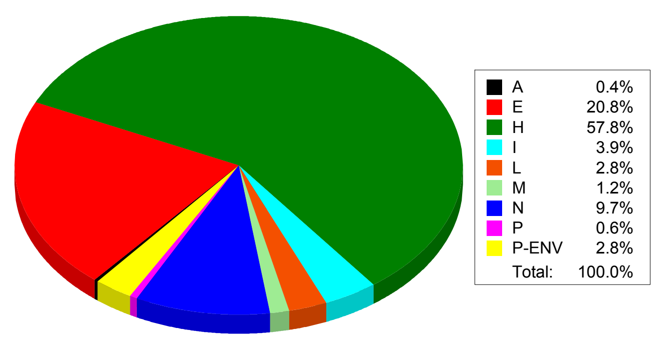


Schedule of Bonds Outstanding by Market Sector

Market Sector	Amount of Original Issue	Principal Outstanding
Agriculture	296,768,541	90,163,285
Education	5,527,345,730	5,111,197,417
Healthcare *	16,245,807,337	14,235,522,334
Industrial	1,163,140,669	965,978,214
Local Government	1,133,324,413	678,199,169
Multifamily/Senior Housing	742,915,396	304,339,831
501(c)(3) Not-for Profits	2,872,924,996	2,395,772,714
Exempt Facilities Bonds	155,360,000	155,360,000
Environmental issued under 20 ILCS 3515/9	770,475,000	688,409,670
	$ 28,908,062,082	$ 24,624,942,634

* Includes CCRC's

Principal Outstanding by Market Sector



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

Bond Issue		Date Issued	Initial Interest Rate	Principal Issued	Bonds Refunded
A-BFB	Beginner Farmer Bonds, Series 2011	07/01/2010	Various-See Below	1,716,251	0
HC	NorthShore University HealthSystem, Series 2010	07/14/2010	2.00% to 5.25%	136,425,000	115,800,000
CCRC	The Clare at Water Tower, Series 2010A&B	07/15/2010	5.10% to 6.125%	87,505,000	87,505,000
CCRC	Christian Homes, Inc., Series 2010	07/29/2010	3.40% to 6.125%	25,000,000	8,090,000
IRB	Bison Gear & Engineering Corporation, Series 2010	07/29/2010	VRB 0.32%	9,230,000	0
HC	Institute for Transfusion Medicine, Series 2010	07/29/2010	VRB 3.60%	26,500,000	0
GS	Peoples Gas Light and Coke Company, Series 2010	08/18/2010	VRB - 2.125%	50,000,000	0
RZ	Annex II, LLC - Rock City Development, Series 2010	08/24/2010	6.00%	4,585,000	0
CCRC	Greenfields of Geneva, Series 2010A-C	08/31/2010	7.50% to 8.25%	117,600,000	9,185,000
		Total Bonds Issued in Fiscal Year 2011		**$ 458,561,251**	**$ 220,580,000**

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

Beginner Farmer Bonds

Borrower	Date Funded	Initial Interest Rate	Loan Proceeds	Acres	County
Stortzum, Brent A.	07/21/2010	4.25%	157,500	38.00	Effingham
Tolley, Daniel Steven	07/23/2010	4.50%	106,900	82.30	Knox
Smithenry, Eric J.	07/30/2010	4.25%	135,000	20.00	Jasper
Will, Richard & Linda	07/30/2010	4.00%	206,712	71.30	Cumberland
Justison, David M.	07/30/2010	4.25%	249,736	106.00	Montgomery
Justison, Keri L.	07/30/2010	4.25%	249,736	106.00	Montgomery
Stinnett, Sean & Cheryl	08/05/2010	4.75%	224,000	52.84	Macoupin
Alt, James & Jo Ellen	08/12/2010	4.00%	102,667	26.67	Vermilion
Alt, Lawrence & Loretta	08/12/2010	4.00%	100,000	26.67	Vermilion
Kopplin, Seth A.	08/16/2010	4.00%	184,000	73.62	Effingham
	Total Beginner Farmer Bonds Issued		**$ 1,716,251**	**603.40**	

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

Section I (a)

		Principal Outstanding		Program	Remaining
		June 30, 2010	August 31, 2010	Limitations	Capacity
Illinois Finance Authority "IFA"					
289	Agriculture	$ 46,455,000	$ 48,109,000		
88	Education	3,721,552,000	3,712,129,000		
220	Healthcare	10,850,978,000	11,204,489,000		
63	Industrial Development	345,870,000	405,798,000		
21	Local Government	264,060,000	264,060,000		
18	Multifamily/Senior Housing	157,979,000	157,765,000		
95	501(c)(3) Not-for Profits	1,313,239,000	1,303,913,000		
5	Exempt Facilities Bonds	130,500,000	130,500,000		
799	**Total IFA Principal Outstanding**	**$ 16,830,633,000**	**$ 17,226,763,000**		
Illinois Development Finance Authority "IDFA" [b]					
4	Education	42,196,000	42,196,000		
6	Healthcare	404,660,000	288,860,000		
74	Industrial Development	562,917,000	560,195,000		
35	Local Government	386,034,000	386,034,000		
16	Multifamily/Senior Housing	147,219,000	146,575,000		
103	501(c)(3) Not-for Profits	1,025,002,000	1,016,600,000		
1	Exempt Facilities Bonds	24,860,000	24,860,000		
235	**Total IDFA Principal Outstanding**	**$ 2,592,888,000**	**$ 2,465,320,000**		
Illinois Rural Bond Bank "IRBB" [b]					
18	Bond Bank Revenue Bonds	26,385,000	25,715,000		
1	Conduit Debt	2,390,000	2,390,000		
19	**Total IRBB Principal Outstanding**	**$ 28,775,000**	**$ 28,105,000**		
106	**Illinois Health Facilities Authority "IHFA"**	**$ 2,908,471,000**	**$ 2,742,173,000**		
49	**Illinois Educational Facilities Authority "IEFA"**	**$ 1,446,134,000**	**$ 1,432,132,000**		
561	**Illinois Farm Development Authority "IFDA" [f]**	**$ 42,055,000**	**$ 42,055,000**		
1,769	**Total Illinois Finance Authority Debt**	**$ 23,848,956,000**	**$ 23,936,548,000**	**$ 28,150,000,000**	**$ 4,213,452,000**

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

Section I (b)

		Principal Outstanding		Program	Remaining
		June 30, 2010	August 31, 2010	Limitations	Capacity
General Purpose Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/801-40(w)]					
18	Issued through IRBB	$ 26,385,000	$ 25,715,000		
9	Issued through IFA	68,000,000	68,000,000		
27	**Total General Moral Obligations**	**$ 94,385,000**	**$ 93,715,000**	**$ 150,000,000**	**$ 56,285,000**
Financially Distressed Cities Moral Obligations					
Illinois Finance Authority Act [20 ILCS 3501/825-60]					
1	Issued through IFA	$ 2,395,000	$ 2,395,000		
1	Issued through IDFA	4,660,000	4,660,000		
2	**Total Financially Distressed Cities**	**$ 7,055,000**	**$ 7,055,000**	**$ 50,000,000**	**$ 42,945,000**
State Component Unit Bonds [c]					
18	Issued through IRBB	$ 26,385,000	$ 25,715,000		
1	Issued through IDFA	14,580,000	14,580,000		
1	Issued through IFA	4,863,000	4,233,000		
20	**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 Bonds in Illinois, February 11, 2010.

Section I (c)

	Principal Outstanding		Program	Remaining
	June 30, 2010	August 31, 2010	Limitations	Capacity
Midwest Disaster Bonds [Flood Relief]	**$ -**	**$ -**	**$ 1,515,271,000**	**$ 1,515,271,000**

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

Section II

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

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

Prepared by: J. K. Kuhn
9/8/2010 10:47 AM

ILLINOIS FINANCE AUTHORITY

Schedule of Debt [a]

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

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

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

Section IV		Principal Outstanding June 30, 2010	Principal Outstanding August 31, 2010	Program Limitations	Remaining Capacity	State Exposure
	Agri Debt Guarantees [Restructuring Existing Debt]	**$ 20,602,000**	**$ 19,807,000**	**$ 160,000,000**	**$ 140,193,000**	**$ 16,796,000**
99	**Fund # 994 - Fund Balance $ 9,940,751**					
	AG Loan Guarantee Program	**$ 47,229,000**	**$ 46,159,000**	**$ 225,000,000** [e]	**$ 178,841,000**	**$ 33,396,000**
57	**Fund # 205 - Fund Balance $ 7,651,586**					
12	Agri Industry Loan Guarantee Program	$ 11,104,419	$ 10,869,000			9,238,000
1	Renewable Fuels	24,444,583	24,174,000			14,710,000
1	Farm Purchase Guarantee Program	490,823	491,000			417,000
31	Specialized Livestock Guarantee Program	8,625,470	8,063,000			6,853,000
12	Young Farmer Loan Guarantee Program	2,563,535	2,562,000			2,178,000
156	**Total State Guarantees**	**$ 67,831,000**	**$ 65,966,000**	**$ 385,000,000**	**$ 319,034,000**	**$ 50,192,000**

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 August 31, 2010	Appropriation Fiscal Year 2011	Fund Balance
116	Fire Truck Revolving Loan Program	**Fund # 572**	$ 18,730,135	$ 18,722,635	$ 6,003,342	$ 1,233,367
10	Ambulance Revolving Loan Program	**Fund # 334**	$ 993,200	$ 933,200	$ 7,006,800	$ 3,134,998

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 August 31, 2010	Program Limitations	Remaining Capacity
	Environmental [Large Business]				
9	Issued through IFA	316,440,000	$ 316,360,000		
21	Issued through IDFA	372,065,000	372,050,000		
30	**Total Environmental [Large Business]**	**$ 688,505,000**	**$ 688,410,000**	**$ 2,425,000,000**	**$ 1,736,590,000**
	Environmental [Small Business]	-	$ -	**$ 75,000,000**	**$ 75,000,000**
30	**Total Environment Bonds Issued under Act**	**$ 688,505,000**	**$ 688,410,000**	**$ 2,500,000,000**	**$ 1,811,590,000**

Illinois Finance Authority Funds at Risk

Section VII #		Original Amount	Principal Outstanding June 30, 2010	Principal Outstanding August 31, 2010
	Participation Loans			
63	Business & Industry	23,020,157.95	17,018,322.85	16,727,172.16
25	Agriculture	6,079,859.01	4,969,295.79	4,919,351.18
88	**Total Participation Loans**	**$ 29,100,016.96**	**$ 21,987,618.64**	**$ 21,646,523.34**
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**	**$ 309,303.50**	**$ 309,303.50**
6	**FmHA Loans**	**$ 963,250.00**	**$ 495,772.95**	**$ 480,084.38**
2	**Renewable Energy [RED Fund]**	**$ 2,000,000.00**	**$ 1,755,664.28**	**$ 1,741,361.20**
101	**Total Loans Outstanding**	**$ 34,353,016.96**	**$ 25,548,359.37**	**$ 25,177,272.42**

[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.

MINUTES OF THE AUGUST 10, 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 August 10, 2010, at the Chicago Office of the IFA at 180 N. Stetson, Suite 2555, Chicago, IL 60601.

Members Present:	**Members Absent**:	**Staff Present**:
1. Michael Goetz, Vice Chairman 2. Roderick Bashir 3. John "Jack" Durburg 4. Dr. Roger Herrin 5. Terrence M. O'Brien 6. Roger Poole	7. William A. Brandt Jr., Chairman 8. Ronald E. DeNard 9. Edward Leonard 10. James J. Fuentes 11. Juan B. Rivera 12. Joseph McInerney 13. Bradley A. Zeller **Members Participating by Telephone**: Eric Reed, Regional Manager **Vacancies**: One	Christopher Meister, Executive Director Brendan Cournane, General Counsel Rich Frampton, Vice President Arthur Friedson, Chief HR Officer Ahad Syed, Administrative Asst. Yvonne Towers, CFO/CIO **Others Present**: Lois Scott, Scott Balice Courtney Shea, Acacia Shannon Williams, Scott Balice

Call to Order

Vice Chairman Goetz called the meeting to order at 8:37 a.m. with the above members present. He welcomed Members of the Board, IFA staff, and guests present to the meeting.

Vice Chairman's Remarks

Vice Chairman Goetz thanked the Members of the Board and IFA Staff for being present and announced that Chairman Brandt would not be available. Furthermore, the Vice Chairman explained that Dr. Barclay would be arriving later in the meeting and that Mr. McInerney would be present for the Board Meeting only. He asked Director Meister to present his report.

Executive Director's Presentation

Director Meister thanked the Vice Chairman for chairing the Committee of the Whole Meeting and began his report. The Director stated that July was an exciting month and listed the month's highlights. The Director thanked the IFA Vice President, Mr. Frampton, for his work on two significant projects: (1) Bison Gear and Engineering is the first Industrial Revenue bond closed in 12 months—signaling hope for new life in the private economy; (2) A new, high-profile

borrower—Old Town School of Folk Music. This project will be presented by Mr. Frampton to the Committee of the Whole for preliminary approval later in the meeting.
Director Meister noted that the IFA now has a new tool in its arsenal to encourage economic growth and job creation—Midwestern Disaster Area Bonds ("MDABs") for eighteen Illinois counties. The Director said that the IFA staff is pleased to announce that the first MDAB is the KONE project located in Moline, IL, which will be presented later to the Board for preliminary approval. Director Meister recognized Mr. Howard Kenner's efforts in Springfield on SB 3719 which will help expand the IFA bonding authority in regards to its Agriculture program.

Director Meister explained that Ms. Lenane was on vacation and thanked her for her hard work on closing The Clare tender and exchange. He further added that the IFA staff was excited to see a U.S. Department of Housing and Urban Development (HUD) financing for Mercy Hospital. This will be the first HUD financing of its type since the creation of the IFA in 2004.

Director Meister stated that the pie charts have been updated by Ms. Joy Kuhn, Assistant Treasurer, to make them easier to read with an emphasis on transparency. One major change was to show both Continuing Care Retirement Communities ("CCRCs") and Healthcare principal amount of bonds issued. Director Meister explained that this was done in order to make it clearer to the general public that the IFA is committed to paying attention to the critical role CCRCs play in the healthcare sector as well within the IFA's financials.

Senior Staff Reports

Vice Chairman Goetz thanked Director Meister and asked for the senior staff reports.

Ms. Towers presented her report, stating that the financials are on track, and the IFA is on target for the new fiscal year. She noted that the auditors are working diligently with staff and are expected to remain at the IFA into November.

Committee Reports

Mr. Reed, calling in by telephone, presented the Agriculture Committee report. He explained that the Credit Committee led by Mr. Frampton deferred a collateral and life insurance release for Angelica Mollet to the Agriculture Committee to see if Agriculture Committee could create a policy going forward on release of collateral. The Agriculture Committee responded by stating that agriculture releases are different than the other transactions that the IFA handles. These guarantees can be affected by death, illness, and personal finances or in the case of Mollet—divorce. Therefore, each agriculture release would have to be examined on an *ad hoc* basis rather than general policy. Mr. Reed mentioned that the Agriculture Committee had discussed the University of Illinois relationship and feels strongly in favor of reviving the relationship. He said that the issue would come to the Board in September.

In Ms. Lenane's absence, Mr. Govia presented the Healthcare Committee Report. Mr. Govia explained that all three of the healthcare projects for this Board Meeting will be Preliminary Bond Resolutions. He stated that the IFA staff had reached out to women and minority-owned underwriters for these projects. Mercy Hospital will be the first HUD financing at the IFA. Mr.

Govia mentioned that Ms. Lenane had found an article in the *Chicago Tribune* about the new retirement projects in progress such as The Clare and Greenfields of Geneva. Furthermore, Ms. Lenane disseminated a GAO assessment of Continuing Care Retirement Communities.

Dr. Barclay joined the meeting at 9:47 a.m.

Members Present:	**Members Absent**:	**Staff Present**:
1. Michael Goetz, Vice Chairman 2. Roderick Bashir 3. John "Jack" Durburg 4. Dr. Roger Herrin 5. Terrence M. O'Brien 6. Roger Poole 7. Dr. Barclay	8. William A. Brandt Jr., Chairman 9. Ronald E. DeNard 10. Edward Leonard 11. James J. Fuentes 12. Juan B. Rivera 13. Joseph McInerney 14. Bradley A. Zeller **Members Participating by Telephone**: Eric Reed, Regional Manager **Vacancies**: One	Christopher Meister, Executive Director Brendan Cournane, General Counsel Rich Frampton, Vice President Arthur Friedson, Chief HR Officer Ahad Syed, Administrative Asst. Yvonne Towers, CFO/CIO **Others Present**: Lois Scott, Scott Balice Courtney Shea, Acacia Shannon Williams, Scott Balice

Project Reports

Mr. Reed presented the following project for approval:

No. 1A: **Brock Gittleson – $207,500 – 50 acres**
Request for final approval of the issuance of a Beginning Farmer Bond in an amount not to exceed $207,500 for the purchase of approximately 38 acres of farmland. This project is located in unincorporated Lee County, near Amboy, IL.

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

No. 2 **Annex II, LLC – $5,500,000 – Final**

Request for approval of a Preliminary Bond Resolution in an amount not-to-exceed $5,500,000 to finance the (i) construction of a new single-story, contiguous, turnkey textual records storage facility within the Rock City development in the Village of Valmeyer in Monroe County, Illinois. This 75,000 square foot facility is expected to consist of two (2) to three (3) contiguous records storage bays, each with a capacity of 245,000 to 250,000 cubic feet. Additionally, bond proceeds will also finance bond issuance costs.

Mr. Frampton presented the following projects for approval:

No. 3. KONE Centre Investment Fund, LLC - $21,000,000 - Preliminary

Request for approval of a Preliminary Bond Resolution in an amount not-to-exceed $21,000,000. Proceeds of the IFA Series 2010 Midwestern Disaster Area Bonds (KONE Centre Project), combined with other sources of debt and equity, will be loaned to **KONE Centre Investment Fund, LLC** (the "**Borrower**"), with such proceeds ultimately, through a series of transactions and loans to **Financial District Properties KP, LLC** (the "**Owner**"), an Illinois limited liability company, to finance costs associated with the acquisition, construction and equipping of a new approximately 123,360 Net Rentable Square Foot, 8-story office and residential building to be located on an approximately 2.184 acre site at 1 KONE Court (at the southeast corner of 17th Street and 2nd Avenue) in Moline (Rock Island County), Illinois (the **"Project"**), and to finance costs of issuance of the bonds. The Project will be owned by the Owner. Approximately 75,000 NRSF of the Project will be leased by the Owner to **KONE Inc**., a Delaware corporation ("KONE"), the US operating subsidiary of Finland-based **KONE OYJ**. The KONE Centre Building will serve as KONE's North American corporate headquarters. Other portions of the Project will be leased to and used by various retail and other commercial tenants. The 8th floor of the Project will be sold as multi-family condominiums and will be financed separately by the Developer).

No. 4 Chicago Mission AAA Hockey Club - $9,850,000 - Preliminary

Request for approval of a Preliminary Bond Resolution in an amount not-to-exceed $9,850,000. Bond proceeds will be used to finance the acquisition, renovation, and equipping of the Seven Bridges Ice Arena in Woodridge, Illinois. Additionally, bond proceeds may be used to financing certain prior eligible project costs, and to pay costs of issuance.

No. 5 Old Town School of Folk Music, Inc. - $10,000,000 - Preliminary

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

Mr. Govia presented the following projects for approval:

No. 6 Little Company of Mary Hospital – $75,000,000 – Preliminary

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

No. 7 Mercy Hospital and Medical Center – $80,000,000 – Preliminary

Request for approval of a Preliminary Bond Resolution in an amount not-to-exceed $80,000,000 to (i) pay or reimburse, Mercy Hospital and Medical Center (the "Hospital" or the "Borrower"), for the payment of certain costs of acquiring, constructing and equipping a major construction and renovation project including renovation of the birthing centers and cardiac units and the installation of hospital-wide sprinkler and fire alarm systems to comply with the Life Safety Ordinance of the Chicago Fire Department and Fire Prevention Bureau (ii) pay a portion of the interest accruing on the bonds during construction of the Project, (iii) provide for the refunding of JPMorgan Chase Bank Promissory Note and Equipment revolving line of credit currently outstanding in an aggregate principal amount of $34.8 million, (iv) fund the Debt Service Reserve Fund Requirement for the benefit of the Series 2010, and (v) pay certain expenses incurred in connection with the issuance of the bonds.

No. 8 Provena Hospital – $85,000,000 – Preliminary

Request for approval of a Preliminary Bond Resolution in an amount not to exceed $85,000,000. Proceeds will be used to 1) to reimburse Provena Hospital for prior system-wide capital expenditures and 2) to pay costs of issuance.

Mr. Cournane presented the following resolutions for approval:

No. 9 Resolution to Request Approval Allowing the Release of 1,000 Shares of Castle Bank stock currently held as collateral on an IFA Agri-Debt Guarantee by Citizens First National Bank of Somonauk to Dean and Cynthia Lundeen (Loan # 1998-GP-1088)

No. 10 Resolution to Request Approval regarding (1) the Release of Angelica E. Mollet from personal liability and (2) the Release of an assignment of Life

Insurance on Angelica E. Mollet in the amount of $50,000 on an IFA Young Farmer Guarantee by The Bank of Edwardsville to Jody G. Mollet (Loan # 2001-YF-0098)

No. 11 **Resolution to designate Recovery Zone in Monroe County under the American Recovery and Reinvestment Act of 2009**

No. 12 **Resolution to Appoint Additional Assistant Secretaries**

Other Business

None.

Closing Remarks

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

Adjournment

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

The meeting adjourned at 10:22 a.m.

Respectfully submitted by
Ahad Syed
Administrative Assistant
Assistant Board Secretary

MINUTES OF THE August 10th, 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, August 10, 2010, at the Prudential Plaza Conference Center at 130 E. Randolph Street. 7th Floor, Chicago, IL 60601.

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

GENERAL BUSINESS

Call to Order, Establishment of Quorum and Roll Call

Vice Chairman Goetz called the meeting to order at 11:30 a.m. with the above Members present. Vice Chairman Goetz welcomed Members of the Board and all guests. He then asked the Assistant Board Secretary Ahad Syed to call the roll. There being eight (8) members physically present Mr. Syed declared the quorum met. Vice Chairman Goetz then called for the Financial Statements for the period ending July 31, 2010 and Minutes for both the July 13, 2010 Committee of the Whole and Board of Directors Meetings.

Acceptance of Financial Statements and Minutes

Financial statements for the period ending July 31, 2010, and minutes for both the July 13, 2010, Committee of the Whole and Board of Directors meetings were presented to the Board. Vice Chairman Goetz stated that the Authority's financial statements and minutes were reviewed at the regularly scheduled Committee of the Whole meeting held on 8:30 a.m. that day. Vice Chairman Goetz requested a motion to approve the July 31, 2010, financial statements and minutes from both the July 13, 2010, Committee of the Whole and Board of Directors meeting.

The motion was approved by Dr. Barclay and seconded by Mr. O'Brien. The July 31, 2010, Financial Statements and Minutes from both the July 13, 2010, Committee of the Whole and Board of Directors meetings were unanimously approved by the Members of the Board.

Senior Staff Reports

None.

Project Approvals

Vice Chairman Goetz asked Mr. Rich Frampton, Vice President, to present the projects for consideration to the Board. The Vice Chairman explained that all projects are thoroughly vetted by a staff Credit Committee and all agriculture, energy and healthcare projects are also reviewed at their respective committee's public meeting each month. Finally, each project is thoroughly reviewed at the Committee of the Whole meeting held at 8:30 a.m. before the Board Meeting.

Mr. Frampton presented the following projects for approval:

No. 1A: -- Brock Gittleson

Request for final approval of the issuance of a Beginner Farm Bond in an amount not-to-exceed $207,500 for the purchase of approximately 50 acres of farmland. This project is located in unincorporated Lee County, near Amboy, IL.

No guests attended with respect to Project No. 1A. Vice Chairman Goetz asked if the Board had any questions with respect to Project No. 1. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Project No. 1A. Project No. 1A received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 2 -- Annex II

Annex II, LLC is requesting approval of a Final Bond Resolution in an amount not-to exceed $5,500,000 of Recovery Zone Facility Bonds. Bond proceeds will be used to finance the construction and equipping of a records storage facility located at the Rock City development in the Village of Valmeyer in Monroe County and to also pay bond issuance costs. As contemplated the Recovery Zone Facility Bond allocations will be voluntarily waived to IFA by Monroe County (the Host county) and Randolph County. Additionally, the IFA Board of Directors will also be considering a Resolution in connection with Agenda Item #11 below that will establish a Recovery Zone in Monroe County as required for any prospective Recovery Zone Facility Bond issuance.

No. 3 -- KONE Centre Investment Fund, LLC

KONE Centre Investment Fund, LLC is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed $21,000,000. Bond proceeds of the proposed IFA Series 2010 Midwestern Disaster Area Bonds will be combined with other sources of debt and equity, will be loaned to KONE Centre Investment Fund, LLC (as the "Borrower"), with such proceeds ultimately, through a series of transactions and loans attributable to the underlying New Market Tax Credit Structure to Financial District Properties KP, LLC (the

"Owner"), an Illinois limited liability company, to finance costs associated with the acquisition, construction and equipping of a new approximately $123,360 Net Rentable Square Foot, 8-story multi-use office and residential building to be located on an approximately 2.184 acre site at One Kone Court (at the Southeast corner of 17th Street and 2nd Avenue) in Moline (Rock Island County), Illinois, and to finance costs of issuance on the subject bonds (and collectively, the "Project"). The Project will be owned by the Owner and leased by the Owner to KONE, Inc. and will serve as the North American headquarters. KONE will be the anchor tenant of the project. Other portions of the project will be leased to and used by various retail, office and other commercial tenants, the 8th floor of the Project will be sold as multi-family condominiums and will be financed separately by the Owner.

No. 4 -- Chicago Mission AAA Hockey Club

Chicago Mission AAA Hockey Club is requesting approval of a Preliminary Bond Resolution for an amount not-to-exceed $9,850,000. Bond proceeds will be used to finance a portion of the costs of the acquisition, renovation, and equipping of the Seven Bridges Ice Arena, in Woodridge, Illinois. Additionally, bond proceeds may be used to finance certain prior eligible costs, and to pay costs of issuance.

No guests attended with respect to Project Nos. 2, 3 or 4. Vice Chairman Goetz asked if the Board had any questions with respect to Project Nos. 2, 3 or 4. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Project Nos. 2, 3 and 4. Project Nos. 2, 3 and 4 received approval with 8 ayes, 0 nays, and 0 abstentions.

No. 6 -- Little Company of Mary Hospital

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

No. 7 -- Mercy Hospital and Medical Center

Mercy Hospital and Medical Center (the "Corporation") is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed $80,000,000. Bond proceeds will be used to pay or reimburse the Corporation for (i) the payment of certain costs of acquiring, constructing, and equipping a major construction and renovation project including renovation of the birthing centers and cardiac units and the installation of hospital-wide sprinkler and fire alarm systems to comply with the Life Safety Ordinance of the Chicago Fire Department and Fire Prevention Bureau, (ii) pay a portion of the interest accruing on the bonds during construction of the Project: (iii) provide for the refunding of JPMorgan Chase Bank Promissory Note and Equipment revolving line of credit currently outstanding in an aggregate principle amount of $34.8 million; (iv) fund the Debt Service

Reserve Requirement for the benefit of the bonds; (v) and to pay certain expenses incurred in connection with the issuance of the bonds.

No. 8 **-- Provena Hospital**

Provena Hospital is request for approval of a Preliminary Bond Resolution in an amount not-to-exceed $85,000,000. Bond proceeds will be used to (i) reimburse Provena Health for prior system-wide capital expenditures and (ii) to pay costs of issuance for projects.

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

No. 5 **-- Old Town School of Folk Music**

The Old Town School of Folk Music, Inc. (the “School) is requesting approval of a Preliminary Bond Resolution in an amount not-to-exceed $10,000,000. Bond proceeds will be used to (i) finance or refinance taxable debt of the School, (ii) to construct and equip new studio and classroom facilities to be located in a 3-story, 27,100 sq. ft. LEED Silver-Certified building to be constructed at 4543-4549 N. Lincoln Avenue in Chicago and used to house dance studios, music classrooms, a 150-seat performance/dance/community gathering hall and related uses; (iii) pay costs related to the demolition of existing buildings and other site preparation work at the new site; and (iv) pay costs of issuance, capitalized interest and other professional costs associated with the proposed bond issue. GUESTS: Representing the Old Town School of Folk Music, Inc.

Mr Frampton introduced Mr. Bau Graves, Executive Director and Mr. Paul Aanonsen, Finance Director of the Old Town School of Folk Music and. Mr. Graves thanked the Board for the meeting and explained the colorful history of the Old Town School of Folk Music—the largest community arts school in the United States. The School employs 230 teaching artists and sixty-five administrative staff. He briefly outlined the School’s plan to make their new building LEED Silver certified and possibly LEED Gold. Mr. Graves is proud of the positive role the School has played in the vibrant, local community by increasing the flow of business and opportunities for cultural immersion.

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

No. 9 **Resolution to Request Approval Allowing the Release of 1,000 Shares of Castle Bank stock currently held as collateral on an IFA Agri-Debt Guaranteed Loan by Citizens First National Bank of Somonauk to Dean and Cynthia Lundeen (Loan # 1998-GP-1088).)**

No. 10 **Resolution to Request Approval regarding (1) the Release of Angelica E. Mollet from personal liability and (2) the Release of an assignment of Life Insurance on Angelica E. Mollet in the amount of $50,000 on an IFA Young Farmer Guarantee by The Bank of Edwardsville to Jody G. Mollet. (Loan # 2001-YF-0098)**

No. 11 **Resolution to designate Recovery Zone in Monroe County under the America Recovery and Reinvestment Act of 2009.**

No. 12 **Resolution to Appoint Additional Assistant Secretaries**

No guests attended with respect to Resolutions Nos. 9, 10, 11 or 12. Vice Chairman Goetz asked if the Board had any questions with respect to Resolutions Nos. 9, 10, 11 or 12. There being none, Vice Chairman Goetz requested leave to apply the last unanimous vote in favor of Resolutions Nos. 9, 10, 11 and 12. Resolutions Nos. 9, 10, 11 and 12 received approval with 8 ayes, 0 nays, and 0 abstentions.

Other Business

None.

Adjournment

The Vice Chairman then asked if there was any other business to come before the Board. Hearing none, Vice Chairman Goetz requested a motion to adjourn. Upon a motion by Dr. Barclay and seconded by Dr. Herrin the Board unanimously voted to adjourn at 11:58 a.m.

Respectfully submitted by
Ahad Syed
Administrative Assistant
Assistant Board Secretary

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Eric Reed (lk)

Date: September 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: $480,600**
- **Calendar Year Summary:** (as of September 14, 2010)
  - Volume Cap: $25,000,000
  - Volume Cap Committed: $7,517,635
  - Volume Remaining: $17,482,365
  - Average Acreage Farm Size: 78
  - Number of Farms Financed: 42
- **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-8391**
Funding Manager:	Eric Reed
Borrower(s):	**Fritschle, Derek R.**
Borrower Benefit:	First Time Land Buyer
Town:	Olney, IL
IFA Bond Amount:	**$125,000**
Use of Funds:	Farmland – 78 acres w/buildings and grain bins
Purchase Price:	$250,000 / ($125,000 / $1,603 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	Richland / Southeastern
Lender/Bond Purchaser	Citizens National Bank of Albion / Walter Koertge
Legislative Districts:	Congressional: 19th, John Shimkus
	State Senate: 54th, John Jones
	State House: 108th, David Reis

Principal and interest shall be paid monthly in installments determined pursuant to a Thirty year amortization schedule, with the first principal payment date to begin one month from the date of closing with the 360th and final payment of all outstanding balances due thirty years from the date of closing.

[redacted]

B.

Project Number:	**A-FB-TE-CD-8392**
Funding Manager:	Eric Reed
Borrower(s):	**Krass, Shawn P. and Krass, Amy S.**
Borrower Benefit:	First Time Land Buyer
Town:	Garden Prairie, IL
IFA Bond Amount:	**$205,000**
Use of Funds:	Farmland – 20 acres w/buildings and used equipment
Purchase Price:	$315,000 / ($120,000 / $6,000 per ac)
%Borrower Equity	5%
%USDA Farm Service Agency	45% *(Subordinate Financing)*
%IFA	50%
County/Region:	McHenry / Northeast
Lender/Bond Purchaser	Alpine Bank & Trust Co. / Carl Dumoulin
Legislative Districts:	Congressional: 16th, Donald Manzullo
	State Senate: 32nd, Pamela Althoff
	State House: 63rd, Jack Franks

Principal and interest shall be paid monthly in installments determined pursuant to a Twenty five year amortization schedule, with the first principal payment date to begin one month from the date of closing with the 300th and final payment of all outstanding balances due twenty five years from the date of closing.

[redacted]

C.

Project Number:	**A-FB-TE-CD-8393**	
Funding Manager:	Eric Reed	
Borrower(s):	**Richter, Brett Alan**	
Borrower Benefit:	First Time Land Buyer	
Town:	Highland, IL	
IFA Bond Amount:	**$150,600**	
Use of Funds:	Farmland – 46 acres	
Purchase Price:	$301,200 / ($6,548 per ac)	
%Borrower Equity	5%	
%USDA Farm Service Agency	45% *(Subordinate Financing)*	
%IFA	50%	
County/Region:	Clinton / Southwestern	
Lender/Bond Purchaser	First Mid-Illinois Bank & Trust / Bill Wagner	
Legislative Districts:	Congressional:	19th, John Shimkus
	State Senate:	51st, Kyle McCarter
	State House:	102nd, Ron Stephens

Principal shall be paid annually in equal installments of $5,020.00, with the first principal payment date to begin one year from the date of closing. Accrued interest on the unpaid balance thereof 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.

[redacted]

ILLINOIS FINANCE AUTHORITY

CONDUIT

September 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 123,360 Net Rentable Square Foot ("**NSRF**"), 8-story office and residential building to be located on an approximately 2.184 acre site at 1 KONE Court (at the southeast corner of 17th Street and 2nd Avenue) in Moline (Rock Island County), Illinois (the **"Project"**), and to finance costs of issuance of the Bonds. The Project will be owned by the Financial District Properties KP, LLC.

Approximately 75,000 NRSF 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 North American corporate headquarters. Other portions of the Project will be leased to and used by various retail and other commercial tenants. (The 8th floor of the Project will be sold as multi-family condominiums and will be financed separately by the Developer).

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

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

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

New Markets Tax Credits ("NMTCs"): *are a federal tax credit program that generates 3rd party investments that support economic development projects located in specified Census tracts. Overall, the New 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

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

MATERIAL CHANGES

Change in proposed closing date.

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
September 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:	Kim Du'Prey & Rich Frampton
County/	Region: Moline / Rock Island / Northwest		
Location:	Moline, Rock Island County		

BOARD ACTION

Final Bond Resolution

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

VOTING RECORD

Voting Record Preliminary Board 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 123,360 Net Rentable Square Foot (NSRF), 8-story office building to be located at 1 KONE Court in Moline, Illinois (the "**Project**"), and to pay costs of issuance of the Bonds. Approximately 75,000 NSRF 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 North American corporate office and headquarters. Other portions of the Project will be leased to and used by various retail and office tenants. The 8th floor of the Project will be developed as for-sale residential condominiums (and will be financed separately by the Developer).

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

IFA PROGRAM AND CONTRIBUTION

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

Midwestern Disaster Area Bonds are a provision of the Federal Heartland Disaster Tax Relief Act of 2008 (Public Law 110-344; 122 Stat.3918) that 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 2010

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

Comments on US Bank CDC NMTC Equity Investment and Impact on Leveraging Project and Improving Loan-to-Value: As a result of the New Markets Tax Credit (NMTC) structure, the capitalization of the NMTC Investment Fund (in this case, KONE Centre Investment Fund, LLC) determines the eligible tax credit basis on which the 39% New Markets Tax 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 to 39% of the eligible NMTC "basis" earned over the next 7 years.)
  - US Bank CDC's NMTC stream will be paid as follows: (1) 5% on the $30MM basis for the first 3 years -- for $1.5MM/year; and (2) 6% on $30MM for the last four years – for $1.8MM/year.
- New Markets Tax Credits are allocated by the US Department of the Treasury to eligible Community Development Entities (CDE's). These CDE's will use the equity investment from US Bancorp CDC to originate a $6.565MM Subordinate "B" Loan referenced above.
  - The Subordinate "B" Loan will be interest-only for 7 years (as required by the NMTC structure) at an interest rate of 3.98%.
    - The Subordinate "C" Loan will be interest-only for 7 years (as required by the NMTC structure) at an interest rate of 2.35%.
    - The Senior "A" IFA Bonds will be interest-only 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 mandated under the New Markets Tax Credit structure.
- The life of the Investment Fund is 7 years. At that time, US Bancorp CDC is required (as an NMTC equity investor) to forgive its $6.565MM Subordinate "B" Loan in exchange for a nominal consideration.

- At that time, the Subordinate "B" Loan becomes equity in the project. Simultaneously, the Investment Fund will be dissolved and Financial District Properties KP, LLC will be the owner and become the direct obligor on the remaining outstanding debt, which could be refinanced or extended at that time.

BUSINESS SUMMARY

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

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

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

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

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

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

Rodney Blackwell is a real estate developer with commercial real estate holdings in the Quad Cities and Waterloo, Iowa areas. Mr. Blackwell's real estate holdings include retail and warehouse space. His companies employ 160 people overall. He has over 20 years of real estate development experience, 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, and a Director of Iowa First Bancshares Corp.

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

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

An adjacent 200-250 vehicle parking structure is also planned as part of the overall project. The KONE Centre Project will serve as the North American headquarters 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 North American headquarters for KONE OYJ, one of the world's leading elevator and escalator companies.

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

KONE OYJ -- Parent Company Overview: Founded in 1910 and employing approximately 34,000 employees worldwide, KONE OYJ is a global leader in the elevator and escalator industry. Through its local operating subsidiaries, KONE OYJ provides local service for builders, developers, building owners, designers and architects in 800 locations in over 40 countries. KONE OYJ entered the North America elevator market after acquiring Armor Elevator Company of New York City in 1981 and later acquired the Montgomery Elevator Company (based in Moline) in 1994, which further expanded their market share in North America. The North American operational headquarters 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 the headquarters facilities 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 Special Service Area #5 to rebate tax payments associated with the property.

Upon completion of the KONE Centre project, the City of Moline expects approximately $33 million of additional investment in construction and rehabilitation real estate development will be generated in a multi-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 PRELIMINARY BOND RESOLUTION

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

Preliminary Estimated Project Cost:

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

ECONOMIC DISCLOSURE STATEMENT

Developer/ Contact for Borrower: Rodney Blackwell, Managing 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 serves 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 (Non-LOC Structure):	U.S. Bank, N.A.	Davenport, IA	Jim Richardson
Counsel to Credit Enhancer or Direct Bond Purchaser/Investor:	Husch Blackwell Sanders, LLP	St. Louis, MO	Steve McCandless
Bank Bond Advisor:	The Whitman Group	Columbus, OH	Tom Whitman
Borrower's Auditor/ Outside CPA:	Deloitte Tax, LLP	Davenport, IA	Bryce Henderson
Architect:	Hellmuth, Obata & 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-yr 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 7-yr NMTC Compliance Period
QALICB Owners:	FDP KP Holdings LLP owns 100% of FDP KP, LLC The Owners of FDP KP Holdings LLP are Rodney Blackwell (80%) and Roy Carver (20%)
Subordinate Lender/ NMTC Allocatee:	Waveland Community Development, LLC and affiliates, ("Waveland"), Community Development Entity ("CDE"), 515 Congress Ave, Suite 1700, Austin, TX 78701
Subordinate Lender/ NMTC Allocatee:	Great Lakes Capital Fund and affiliates ("CapFund New Markets, LLC"), Community Development Entity ("CDE") 1000 S. Washington, Lansing, MI 48910
Tenant:	KONE, Inc., a Delaware Corporation (a 100% indirectly owned US subsidiary of KONE OYJ of Finland).

LEGISLATIVE DISTRICTS

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

CONDUIT

$145,000,000
Navistar International Corporation

September 14, 2010

REQUEST	**Purpose:** To enable **Navistar International Corporation** ("**Navistar**" or the "**Borrower**") to purchase, renovate, equip, and construct building additions to nine existing buildings located on an approximately 87 acre site at 2601-2701 Lucent Lane in Lisle (DuPage County), Illinois. The project site is comprised of buildings and land that was built as Lucent Technologies' Research Center and located on Warrenville Road, between Illinois 53 and Naperville Rd. in Lisle. The Lisle facilities will become Navistar's new corporate headquarters and research and development facility. Additionally, bond proceeds will be used to finance leasehold improvements and to equip a warehouse facility that will be expanded prior to occupancy by Navistar. **Project Description:** Bond proceeds will finance (i) a portion of the cost of acquiring, constructing, equipping and installing certain qualified capital improvements at nine buildings comprising approximately 1.224 Million Square Feet of space located at 2601-2701 Lucent Lane in the City of Lisle, Illinois, (ii) constructing various building additions currently estimated to add 26,420 Square Feet of space to certain of the buildings, (iii) finance leasehold improvements and equipping related to an existing 522,520 SF warehouse facility that will be expanded to 860,000 SF located at 2700 Haven in the City of Joliet, Illinois 60435 prior to occupancy by Navistar (collectively, the "**Project**"), (iv) pay capitalized interest during construction of the Project, if deemed necessary or advisable, and (v) to pay certain costs of issuance of the Bonds. **Program:** Recovery Zone Facility Revenue Bonds **Recovery Zone Volume Cap required:** Under the 2009 American Reinvestment and Recovery Act ("ARRA"), Recovery Zone Facility Bond allocations from Illinois Counties and Large Municipalities will have to be aggregated. Navistar and DuPage County are actively seeking to obtain allocations from other Illinois counties and municipalities with unused Recovery Zone Facility Bond allocations. (Under ARRA, authority to issue tax-exempt bonds for projects under the Recovery Zone Facility Bond will expire after 12/31/2010. Accordingly, unused 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 There is no prior Voting Record. 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	1,532	Current jobs	542	New jobs projected
	100	Retained jobs	400 (24 months)	Construction jobs projected

BORROWER DESCRIPTION	● **Type of entity**: OEM manufacturer of Diesel Engines, Medium- and Heavy-Duty Trucks with administrative, research, and engineering headquarters in Lisle, major production facilities located in Melrose Park, and a new warehouse/distribution facility located in Will County, Illinois. ● **Locations**: Lisle/DuPage/Northeast and Joliet/Will/Northeast
CREDIT INDICATORS	● Bonds will be sold on a fixed rate basis based on the underlying rating of Navistar. Navistar is rated B1/BB- (Moody's/S&P)
STRUCTURE	Term: 30 years Rate: Bonds will be sold on a fixed rate basis and underwritten by Merrill Lynch at a rate to be determined at pricing based on prevailing market conditions.

SOURCES AND USES	IFA Bonds	$145,000,000	Project Cost:	$160,495,000
	Corporate Cash	16,700,000	Costs of Issuance	1,205,000
	Total	**$161,700,000**	**Total**	**$161,700,000**

RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 14, 2010

Project: Navistar International Corporation

STATISTICS

IFA Project:	I-RZ-TE-CD-8395	Amount:	$145,000,000 (not-to-exceed amount)
Type:	Recovery Zone Facility Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Lisle and Joliet	County/ Region:	DuPage and Will / Northeast

BOARD ACTION

Final Bond Resolution (one-time approval)
Conduit Industrial Revenue Bonds
Credit committee recommends approval

No IFA funds at risk
Condition: Bonds must be sold in minimum denominations of $100,000 based on Navistar's "B1/BB-" ratings (Moody's/S&P), consistent with 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 enable Navistar International Corporation to finance a major expansion of its DuPage County headquarters facility to include some research & development functions.

IFA PROGRAM AND CONTRIBUTION

The Authority's Recovery Zone Facility Bond Program provides access to tax-exempt bond financing for qualifying industrial and commercial projects located in locally designated Recovery Zones.

Recovery Zone Facility Bonds will enable a variety of large industrial projects and commercial projects to be financed with Tax-Exempt Bonds that have not otherwise qualified for Tax-Exempt financing (e.g., Industrial Revenue Bond financing) since 1986.

Recovery Zone Facility Bonds are identical in structure and interest rate benefit to IFA's Industrial Revenue Bonds.

Recovery Zone Facility Bonds were authorized under the American Reinvestment and Recovery Act of 2009 and enable issuance of Tax-Exempt Bonds for certain privately-owned industrial and commercial, non-residential projects located in locally designated Recovery Zones through 12/31/2010 (under current law).

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 $145 million of Recovery Zone Facility Revenue Bond allocation.

Several counties are expected to waive (i.e., transfer) the Recovery Zone Facility Revenue Bond allocations to IFA in support of this project.

SOURCES AND USES OF FUNDS – PRELIMINARY, SUBJECT TO CHANGE

Sources:	IFA Recovery Zone Facility Revenue Bonds	$ 145,000,000	**Uses:**	Project Costs	$ 160,495,000
	Corporate Cash	$ 16,700,000		Costs of Issuance	$ 1,205,000
	Total:	**$ 161,700,000**		**Total:**	**$ 161,700,000**

JOBS

Current employment:	1,532	Projected new jobs:	542
Jobs retained:	100 (Joliet)	Construction jobs:	400 FTE (24 months)

FINANCING SUMMARY

Structure/Credit Enhancement: Conduit Recovery Zone Facility Revenue Bonds secured and rated based on the direct, underlying long-term ratings of Navistar International Corporation and underwritten by Merrill Lynch.

Interest Rate: Fixed Rate Bonds. Interest rate to be determined based on market conditions at the time of pricing.

Credit Rating: The Bonds will be rated based on Navistar's Long-Term Ratings. Navistar's Long-Term Senior Debt is currently rated "B1/BB-" long-term (Moody's/ S&P).

Bondholder Security: The Bonds will be an unsecured general obligation of Navistar International Corporation.

Maturity: 30 Years

Closing: October, 2010 (tentative)

Rationale: This project will enable Navistar to expand its corporate presence in Illinois, including expansion of the headquarters facility to include research and product development in Lisle and to finance capital improvements relating to a warehouse/distribution facility in Joliet. The proposed Recovery Zone Facility Revenue Bond issue will enhance the financial viability of this major corporate expansion, return a vacant corporate office facility to productive use, thereby enhancing the local property tax base as well as enhancing State of Illinois income tax revenues.

BUSINESS SUMMARY

Description: **Navistar International Corporation** ("**Navistar**" or the "**Borrower**"), is a Delaware corporation incorporated in 1993 and headquartered in Warrenville (DuPage County), Illinois. Navistar is a publicly traded company (NYSE Ticker: NAV).

The Economic Disclosure Statement section of this report (see page 5) provides specific ownership information on shareholders with a 5.0% or greater interest in Navistar as of 6/30/2010.

Background: Navistar is an international manufacturer of International brand commercial trucks, IC Bus ("IC") brand buses, MaxxForce™ brand diesel engines, Workhorse Custom Chassis (for motor homes and step vans), Monaco RV, LLC ("Monaco") recreational vehicles, and Navistar Defense, LLC military vehicles (i.e., mine ambush protection vehicles). Additionally, Navistar is a distributor of service parts for all makes of truck and trailers. Separately, Navistar is a private-label designer and manufacturer of diesel engines for the pickup truck, van, and sport utility vehicles markets.

Navistar operates 22 manufacturing and assembly facilities in North America and had approximately 15,100 active employees worldwide in 2009.

Navistar also has a captive finance unit (Navistar Financial Corporation) that provides retail, wholesale, and lease financing of Navistar trucks and provides financing for the Company's wholesale and retail accounts.

Navistar operates in four industry segments: Truck, Engine, Parts (collectively, the "manufacturing operations"), and Financial Services.

Major competitors in the Truck segment include both domestic competitors (e.g., PACCAR and Ford) and foreign-controlled companies with U.S. production including Freightliner/Western Star (both divisions of Daimler-Benz), and Volvo/Mack.

Major competitors in the Engine segment include Cummins Engine Co., Inc. and MTU Detroit Diesel, Inc.

Navistar is a market segment leader in several "Traditional" retail Truck Markets segments in the U.S. and Canada. The following table summarizes Navistar's retail market share percentages over the past three years (excerpted from p. 39 of Navistar's 10-K Annual Report):

Traditional Markets – U.S. & Canada – Market Share	**2007**	**2008**	**2009**
School Buses	60%	55%	61%
Class 6 and 7 Medium Trucks	36	36	35
Class 8 Heavy Truck	15	19	25
Class 8 Severe Service Trucks	27	37	45
Total Traditional Truck Markets	**27**	**31**	**36**

Navistar's School Buses, Class 6 and 7 Medium Trucks, and Class 8 Trucks led the U.S./Canada markets with the greatest retail market share in each of their respective classes by brand.

Illinois Operations:

Navistar's Illinois operations are comprised of (i) its current headquarters facility in Warrenville (located just north of the I-88/Winfield Road interchange), (ii) a diesel engine assembly plant and engine product development and engineering center in Melrose Park, (iii) a warehouse/distribution facility in DuPage County, and (iv) the headquarters of Navistar Financial Corporation in Schaumburg.

Overall, Navistar employs approximately 3,100 people in Illinois.

The proposed expansion to the Lisle property will expand Navistar's headquarters facility to including research and development in Lisle.

Additionally, Navistar will also be investing over $15 million in capital improvements at a new warehouse/distribution facility located in Joliet.

Finally, Navistar anticipates investing over $90 million to improve and expand its Melrose Park facility, which is currently the home to an engine testing and research center.

PROJECT SUMMARY

Bond proceeds will finance (i) a portion of the cost of acquiring, constructing, equipping and installing certain qualified capital improvements at nine buildings comprising approximately 1.224 Million square feet ("SF") of space located at 2601-2701 Lucent Lane in the City of Lisle, Illinois 60532-1511, (ii) constructing various building additions currently estimated to add 26,420 SF of space to certain of the buildings, (iii) finance leasehold improvements and equipping related to an existing 522,520 SF warehouse facility that will be expanded to 860,000 SF located at 2700 Haven in the City of Joliet, Illinois 60433-8467, prior to occupancy by Navistar (collectively, the "**Project**"), (iv) pay capitalized interest during construction of the Project, if deemed necessary or advisable, and (v) to pay certain costs of issuance of the Bonds.

Estimated project costs are as follows (Preliminary and Subject to Change):

Land & Building Acquisition	$33,600,000
Building Renovation	62,200,000
New Construction	6,800,000
New Equipment	18,900,000
Architectural/Engineering and Legal/Profess.	10,100,000
IT & Security	13,500,000
Other/Contingency	395,000
Joliet Leasehold Improvements/Equipment	15,000,000
Total New Money Project Costs	**$160,495,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: Navistar International Corporation, c/o Mr. Mark Luginbill, Manager – Corporate Real Estate, Navistar International Corporation, 4201 Winfield Road, PO Box 1488, Warrenville, IL 60555; Ph.: 630.753.2075
E-mail: Mark.Luginbill@navistar.com

Website: www.navistar.com

Project name: Navistar International Corporation

Locations: 2601-2701 Lucent Lane, Lisle (DuPage County), IL 60532-1511 and 2077 Haven, Joliet (Will County), IL 60433-8467

Ownership Information: All management individuals holding a 5.0% or greater ownership interest in the Navistar are listed below (as of 6/30/2010). The investors listed below are institutional investors. Accordingly, no further ownership disclosure is required:

- Oppenheimer Funds, Inc. – 7.12% (Two World Financial Center, 225 Liberty Street, New York, NY 10281)
- Owl Creek Asset Management, L.P., a private, employee-owned hedge fund – 5.80% (Contact: Mr. Jeffrey Alan Altman, Managing Director, 640 Fifth Avenue, 20th Floor, New York, NY 10019; (P) 212.688.2550)

PROFESSIONAL & FINANCIAL

General Counsel:	Curt Kramer, Assoc. General Counsel and Secretary		
	Navistar International Corp.	Warrenville, IL	
Accountant:	KPMG, LLC	Chicago, IL	
Advisor to Navistar:	Jones Lang LaSalle	Chicago, IL	John Musgjerd
Underwriter:	Merrill Lynch	Atlanta, GA	Dave Hospodar
Underwriter & Remarketing Counsel:	Squire Sanders Dempsey L.L.P.	New York, NY	Ed Sinick
Bond Counsel:	Chapman and Cutler	Chicago, IL	Andrea Bacon
Credit Enhancement:	N/A (Bond to be sold based on Navistar's underlying long-term ratings)		
Bond Trustee:	Citigroup Global Markets, Inc.	Chicago, IL	Christopher Blake
Architect:	Partners by Design	Chicago, IL	Tom Rowland
General Contractor:	Duke Realty	Rosemont, IL	Ryan O'Leary
Rating Agencies:	Moody's	New York, NY	J. Bruce Clark
	Standard & Poor's	New York, NY	Robert Schulz
IFA Counsel:	Mayer Brown LLP	Chicago, IL	Lorraine Tyson
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

	Lisle	Joliet
Congressional:	13 Judy Biggert	11 Debbie Halvorson
State Senate:	24 Kirk W. Dillard	41 Christine Radogno
State House:	48 Michael G. Connelly	81 Renee Kosel

ILLINOIS FINANCE AUTHORITY

CONDUIT

$50,000,000

SEPTEMBER 14, 2010 THE PEOPLES GAS LIGHT AND COKE COMPANY

REQUEST	Purpose/Project Description: Current refund IFA (Illinois Development Finance Authority) Series 2003B Gas Supply Revenue Bonds (Private Gas Utility) Program: Exempt Facilities Extraordinary Conditions: None. (Financing will not use State resources. No Volume Cap will be required.)
BOARD ACTIONS	Final Bond Resolution Voting Record: No prior vote – this is the first time this financing has been considered by the IFA Board of Directors.
MATERIAL CHANGES	Not applicable (this is the first time this financing has been presented to the IFA Board of Directors)
JOB DATA	1,109 Current jobs · N/A New jobs projected (Refunding) N/A Retained jobs · N/A Construction jobs projected
BORROWER DESCRIPTION	● Type of entity: Private Gas Utility ● Location: Service Area: City of Chicago and certain other distribution facilities located in Illinois ● When established: 1855 ● What does the entity do: Private Natural Gas Company serving the general public ● Who does the entity serve: all natural gas users in the City of Chicago irrespective of their contractual gas supplier ● What will new project facilitate: Current Refund 100% of outstanding balance on prior IFA (IDFA) Bonds.
CREDIT INDICATORS	● Rated. Underlying Long-Term Rating of Peoples Gas Light and Coke Co.: A2/A- (Moody's/S&P)
PROPOSED STRUCTURE	Not Enhanced Fixed Rate Bonds: estimated interest rate range of 4.70% to 5.20% as of 8/25/2010 Maturity Years: 2/1/2033 (no change in Final Maturity Date from Prior Bonds)
SOURCES AND USES	IFA Bonds: $50,000,000 · Refunding Prior Bonds: $50,000,000 Equity: 1,000,000 · Costs of Issuance: 1,000,000 **Total $51,000,000** · **Total $51,000,000**
RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 14, 2010

Project: The Peoples Gas Light and Coke Company

STATISTICS

Project Number:	PU-UR-TE-CD-8396	Amount:	$50,000,000 (not-to-exceed amount)
Type:	Gas Supply Revenue Refunding Bonds (Exempt Facilities Bonds)	IFA Staff:	Rich Frampton
*Location:	Chicago	*Counties/ Regions:	Cook County/Northeast

BOARD ACTION

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

VOTING RECORD

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

PURPOSE

The proposed Bonds will refinance 100% of the outstanding balance of IFA (Illinois Development Finance Authority) Series 2003B Gas Supply Revenue Bonds.

IFA PROGRAM AND CONTRIBUTION

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

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

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

[Aside from the outstanding $50.0 Million Peoples Gas Bond Issue that will be refunded with proceeds of the proposed IFA Series 2010B Refunding Bonds, IFA currently has approximately $377.0 Million outstanding bond issues for Peoples Gas, comprising 7 bond issues, and a single $28.5 Million bond issue for North Shore Gas Company in 1992 (which was refunded in 1998).]

VOLUME CAP

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

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

Sources:	IFA Refunding Bonds	$50,000,000	Uses:	Project Costs	$50,000,000
	Equity	1,000,000		Costs of Issuance	1,000,000
	Total	**$51,000,000**		**Total**	**$51,000,000**

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

JOBS

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

FINANCING SUMMARY

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

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

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

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

Structure: Fixed Rate Bonds to be sold based on the underlying ratings of PGL (see "Ratings" below). Estimated market rates ranging between 4.70% and 5.20% as of 8/25/2010.

Maturity: 2/1/2033 (no change in the existing Final Maturity Date on the IFA (IDFA) Series 2003B Bonds)

Estimated Closing Date: September or October 2010 (Note: closing will be contingent upon the proposed Refunding being attaining the Company's internal fixed interest rate targets.)

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

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

PROJECT SUMMARY FOR IFA BOND RESOLUTION

Bond proceeds will be used by The Peoples Gas Light and Coke Company to current refund and prepay, in advance of their maturity, 100% of the outstanding principal of the Company's Illinois Development Finance Authority Series 2003B Gas Supply Refunding Revenue Bonds (The Peoples Gas Light and Coke Company Project), which were issued to refund the City of Chicago, Illinois, Adjustable-Rate Gas Supply Revenue Bonds, 2000 Series A (The Peoples Gas Light and Coke Company Project). Proceeds of the City of Chicago Bonds were used, together with certain moneys provided by the Company, to refund $50,000,000 aggregate principal amount Adjustable Rate Gas Supply Refunding Revenue Bonds, Series 1985B (The Peoples Gas Light and Coke Company Project) also previously issued by the City (the "Prior Bonds"). The Prior Bonds were issued to finance a portion of the costs of acquiring, constructing and improving certain gas supply facilities located wholly within the corporate boundaries of the City of Chicago (as provided under Section 142(a)(8) of the Internal Revenue Code of 1986).

BUSINESS SUMMARY

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

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

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

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

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

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

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

Payments on all eight series of outstanding IFA (IDFA) Bonds issued on behalf of Peoples Gas and North Shore Gas (with combined outstanding balances of $405.5 Million as of 9/1/2010) have been current since the date of issuance.

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

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

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

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

The ICC has jurisdiction with respect to rates, service, accounting procedures, acquisitions, financial leverage, and other matters.

An ICC order is needed for the proposed IFA Series 2010 Gas Supply Revenue Refunding Bonds. Peoples Gas submitted an informational statement to the ICC on August 30, 2010 with a request for an order by September 22, 2010. The ICC approval will apply to the proposed Refunding Bonds, taking into account the interest of the ratepayers. (Because the purposes of this refunding are (i) to enable Peoples to refinance variable rate debt to reduce variable interest rate risk and (ii) to enable Peoples to fix at historically low fixed rate, this variable-to-fixed refunding issue is not expected to reduce interest expense based on current market conditions.)

Typically, refundings that reduce interest expense on existing debt do not require ICC approval.

ECONOMIC DISCLOSURE STATEMENT

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

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

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

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

Location: City of Chicago

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

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

Ownership: The Peoples Gas Light and Coke Company is a wholly-owned subsidiary of Peoples Energy Corp., which is turn a wholly owned subsidiary of Integrys Energy Systems, Inc. (a Chicago-based public company: NYSE ticker is "TEG").

As of 6/30/2010, there was only one institutional shareholder holding more than 5.0% of Integrys' stock:

- State Street Corporation, One Lincoln Street, Boston, MA 02111. Accordingly, no further disclosure of underlying shareholders is required pursuant to IFA Board Policy.

PROFESSIONAL & FINANCIAL

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

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LEGISLATIVE DISTRICTS

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

CONDUIT

September 14, 2010

$4,200,000
950 Sivert Street LLC, an Illinois limited liability company to be formed, on behalf of Wiegel Tool Works, Inc. and its affiliates, successors, or assigns

REQUEST	**Purpose:** To enable Wiegel Tool Works, Inc. expand its existing Wood Dale operations through the acquisition, renovation and equipping of a 25,000 square foot ("SF") building located near the Company's existing 50,000 SF manufacturing facility in Wood Dale. Project Description: To finance a portion of the costs of acquisition, construction and equipping of an existing, approximately 25,000 square foot ("SF") building located on an approximately 1.44 acre site at 950 Sivert Street in Wood Dale (DuPage County), Illinois 60191-1218. Additionally, bond proceeds may be used to pay costs of issuance. The project will be owned by 950 Sivert Street LLC and leased to Wiegel Tool Works, Inc. (950 Sivert Street LLC and Wiegel Tool Works, Inc. are affiliated through common ownership.) **Program:** Industrial Revenue Bonds **Volume Cap required:** This project is expected to require approximately $3.775MM of IFA Volume Cap. The project is located in Wood Dale, a non-Home Rule municipality. No IFA Funds at risk. No State Funds at risk.
BOARD ACTION	Preliminary Bond Resolution There is no prior Voting Record. 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	47	Current jobs	20	New jobs projected
	N/A	Retained jobs	3-5 (4-6 months)	Construction jobs projected

BORROWER DESCRIPTION	● Type of entity: Design and manufacturing of dies, custom tooling, and production jobs. ● Location: Wood Dale/DuPage/Northeast ● The Borrower is a Special Purpose Entity (SPE) to be formed by the principals of Wiegel Tool Works, Inc. prior to closing. The Borrower is being formed specifically to own this project as part of the proposed financing structure. ● The new facility will be leased to and used by Wiegel Tool Works, Inc. in their manufacturing operation.
CREDIT INDICATORS	● Bonds will be secured by a Direct Pay Letter of Credit from Bank of America.
STRUCTURE	Term: 30 years (it is anticipated that real estate will be amortized over up to 30 years and equipment over 7 years) Rate: Bonds will be sold initially as 7-Day Variable Rate Demand Bonds and underwritten by Wells Fargo Securities, LLC. The most recent average 7-Day Floater Rate was 0.30% as of 8/18/2010.

SOURCES AND USES	IFA Bonds	$3,775,000	Project Cost:	$4,178,000
	Equity	500,000	Costs of Issuance	97,000
	Total	**$4,275,000**	**Total**	**$4,275,000**

RECOMMENDATION	Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 14, 2010

Project: **950 Sivert Street LLC, an Illinois limited liability company to be formed, on behalf of Wiegel Tool Works, Inc., and its affiliates, successors, or assigns**

STATISTICS

IFA Project:	I-ID-TE-CD-8394	Amount:	$4,200,000 (not-to-exceed amount)
Type:	Industrial Revenue Bonds	IFA Staff:	Rich Frampton
Location:	Wood Dale	County/ Region:	DuPage / Northeast

BOARD ACTION

Preliminary Bond Resolution
Conduit Industrial Revenue Bonds — No IFA funds at risk
Credit committee recommends approval. — No extraordinary conditions

VOTING RECORD

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

PURPOSE

To enable Wiegel Tool Works, Inc. expand its existing Wood Dale operations through the acquisition, renovation and equipping of a 25,000 SF building located near the Company's existing 50,000 SF manufacturing facility in Wood Dale.

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

The Authority's Industrial Revenue Bond Program provides low interest rate financing for qualifying manufacturing projects. IFA's issuance of Industrial Revenue Bonds will enable the Borrower to obtain a lower interest rate on this capital project. It is anticipated that IFA will provide 100% of the Volume Cap allocation required to finance this project. The Village of Wood Dale is a Non Home Rule Unit.

SOURCES AND USES OF FUNDS

Sources:	IFA Bonds (IRB)	$ 3,775,000	**Uses:**	Project Costs	$ 4,178,000
	Equity	$ 500,000		Costs of Issuance	$ 97,000
	Total:	**$ 4,275,000**		**Total:**	**$ 4,275,000**

JOBS

Current employment:	47	Projected new jobs:	20
Jobs retained:	N/A	Construction jobs:	3-5 FTE

FINANCING SUMMARY

Structure/Credit Enhancement:	Conduit Industrial Revenue Bonds secured and rated based on a Direct Pay Letter of Credit from Bank of America, N.A. ("BofA") and underwritten (and remarketed) by Wells Fargo Investment Services.
Interest Rate:	The Bonds are expected to be sold initially as 7-day Variable Rate Demand Bonds, with interest rates initially reset every 7 days. The underlying SIFMA municipal swap index rate was 0.30% as of 8/18/2010.
Credit Rating:	The Bonds will be rated based on the BofA Letter of Credit ("LOC"). BofA's Senior Debt is rated "AA3/A+/A+" long term and "P-1/VMIG-1/A-1/F1+" short-term (Moody's/ S&P/ Fitch). BofA's short-term ratings will be the pertinent ratings while Bonds bear interest in 7-day Variable Rate mode.
Bank Collateral:	BofA 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. Wiegel Tool Works, Inc. will be providing a corporate guarantee. Additionally, all loans by BofA to 950 Sivert Street LLC and Wiegel Tool Works, Inc. will be cross-collateralized and cross defaulted.
Maturity:	30 Years on real estate assets; 7 years on equipment assets (Bond Counsel is currently undertaking tax due diligence with the Borrower to determine the maximum final maturity date).
Closing:	Late 2010 – Early 2011

BUSINESS SUMMARY

Description: **950 Sivert Street LLC** ("**LLC**" or the "**Borrower**"), is a to-be-formed limited liability company established under Illinois law by the principal shareholders of **Wiegel Tool Works, Inc.** ("**Wiegel**" or the "**Operating Company**"), an Illinois Corporation, as a special purpose entity to purchase and own real estate, equipment and other assets related to a new facility to be leased to Wiegel and located at 950 Sivert Street in Wood Dale (DuPage County).

Wiegel was originally established in 1941 and founded as "Industrial Tool Works, Inc." and is now in its third generation of Wiegel family ownership.

Both the LLC and Wiegel are owned by members of the Wiegel family. The Economic Disclosure Statement section of this report (see page 3) provides specific ownership information.

Background: Wiegel design engineers and manufactures precision stampings and custom tool and die products for customers throughout the United States. Wiegel also exports products to customers located in Germany. Wiegel's customer base is comprised of Original Equipment Manufacturers ("OEM's") in the automotive, electronics, telecommunications, and a variety of other industries.

Examples of Wiegel's component products include automobile window latches and assemblies; internal switches for transmissions; and a variety of electrical contacts.

Wiegel sells its products directly through its own sales force to OEM's. Wiegel's web site is: www.wiegeltoolworks.com .

Rationale: This project will enable Wiegel Tool Works, Inc. to expand its production capacity through acquisition, renovation, and equipping of the 950 Sivert Street building and will enable the Company to more economically expand its operations. The proposed Industrial Revenue Bond financing will enhance the economic viability of this expansion of the Company's Wood Dale manufacturing operations.

The proposed project will enable Wiegel to economically expand its Wood Dale operation and eliminate the need to relocate elsewhere to a larger facility (including out-of-state). The proposed expansion will enable Wiegel to take over business from competitors that have ceased operations during the current recession.

PROJECT SUMMARY

The IFA Bonds and owner equity will finance the acquisition, renovation, and equipping of a vacant industrial building located at 950 Sivert Street, Wood Dale (DuPage County), Illinois 60191-1211. Additionally, bond proceeds will be used to pay bond issuance costs.

Estimated (New Money) project costs are as follows:

Land & Building Acquisition	$1,300,000
Building Renovation	400,000
Equipment (both new and existing facility)	2,478,000
Total New Money Project Costs	**$4,178,000**

ECONOMIC DISCLOSURE STATEMENT

Applicant: 950 Sivert Street LLC, c/o Mr. Aaron Wiegel, Wiegel Tool Works, Inc., 935 N. Central Ave., Wood Dale (DuPage County), IL 60191-1218, IL 60174; Ph.: 630.595.6550
E-mail: awiegel@wiegeltoolworks.com

Website: www.wiegeltoolworks.com

Project name: Wiegel Tool Works, Inc.

Location: 950 Sivert Street, Wood Dale, IL 60191-1211

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: 950 Sivert Street LLC, an Illinois limited liability company to-be-formed**:
Members (membership interests to be determined upon formation of the LLC):
Martin Wiegel
Aaron Wiegel
Erica Wiegel
Ryan Wiegel

(ii) Tenant/Operating Company/Corporate Guarantor:
Wiegel Tool Works, Inc., an Illinois Corporation:

Martin Wiegel, President:	0.5%
Aaron Wiegel, VP – Stamping	33.5%
Erica Wiegel	33.0%
Ryan Wiegel	33.0%

PROFESSIONAL & FINANCIAL

General Counsel:	Horowitz & Weinstein	Chicago, IL	Paul Horowitz
Accountant:	Kutchins Robbins & Diamond, LTD.	Schaumburg, IL	Allen Kutchins
Underwriter:	Wells Fargo Securities, LLC	Chicago, IL	Peter Glick
Underwriter & Remarketing Counsel:	To be determined (and engaged by Wells Fargo Securities)		
Bond Counsel:	Miller Canfield	Chicago, IL	Paul Durbin
LOC Provider:	Bank of America	Elmhurst, IL	
Bank Counsel:	To be determined		
Bond Trustee:	To be determined		
Architect:	Forthcoming		
General Contractor:	Forthcoming		
Rating Agency:	To be determined		
IFA Counsel:	Requested – Assignment Pending		
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

Congressional:	6	Peter J. Roskam
State Senate:	23	Carole Pankau
State House:	46	Dennis Reboletti

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 14, 2010

Project: **City of East St. Louis**
Financially Distressed Cities Debt Restructuring Revenue Refunding Bonds (Moral Obligation)

STATISTICS

IFA Project #:	L-DC-TE-MO-8386	Amount:	$2,500,000 (not-to-exceed amount)
Type:	Financially Distressed Cities Debt Restructuring Revenue Refunding Bonds		
Location:	East St. Louis / St. Clair / Southwestern	IFA Staff:	Kim Du'Prey

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BOARD ACTION

Final Bond Resolution
Illinois Financially Distressed Cities Restructuring Revenue Refunding Bonds

Staff recommends approval subject to Extraordinary Conditions noted below:

Extraordinary conditions:
1. Approval of Moral Obligation is subject to written consent by the Office of the Governor.
2. Bonds must be sold in minimum denominations of $100,000, unless guaranteed by municipal bond insurance from a high investment grade insurer of "AA" or higher; or if Bonds are rated "Baa2/BBB/BBB" (Moody's/S&P/Fitch) or better long-term.

Comments:
- Bonds will be secured by (1) a State Sourced Pledged Revenue Intercept Provision (i.e., Income, Sales), (2) a contingent Local Revenue Intercept Provision on Utility Taxes and Property Taxes (subject to intercept only in the event of payment default by the City of East St. Louis).
- The City Council of the City of East St. Louis approved an amended FY2011 budget to include the refunding of the IFA Revenue Refunding Bonds, Series 2005 and Series 2003, for the respective maturities due 11/15/2010 (City of East St. Louis Debt Restructuring Project). The City and its statutory financial oversight entity, **the City of East St. Louis Financial Advisory Authority** (the "***Financial Advisory Authority***" or "***FAA***"), had already approved and adopted the plan to refund the 11/15/2010 maturity of the IFA (IDFA) Series 2003 Revenue Refunding Bonds in the FY2010 budget.
- The East St. Louis Financial Advisory Authority will formally consider this proposal for a Resolution authorizing IFA's issuance of Illinois Financially Distressed Cities Revenue Refunding Bonds to also current refund the 11/15/2010 maturity of the IFA Series 2005 Revenue Refunding Bonds.
- *Although no IFA funds will be at risk, these Bonds will continue to be a Moral Obligation of the State of Illinois pursuant to the Illinois Financially Distressed City Laws.*

PURPOSE

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

The proposed Series 2010 Bonds will current refund the 11/15/2010 maturities only, which are not eligible for advance refunding (since the proceeds had previously been advance refunded), and will issue a par amount of $1,990,000 IFA Revenue Refunding Bonds, Series 2010 with a final maturity date of 11/15/2014.

By current refunding a single maturity of both the Series 2003 and Series 2005 Bonds (i.e., the series maturing 11/15/2010), thereby extending the principal repayment by four years, the City hopes to enhance its operating cash position in the current fiscal year.

IFA CONTRIBUTION

Statutory state aid revenue intercept enhances underlying credit.

VOTING RECORD

None. 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 Refunding Bonds, Series 2003 & 2005	$1,830,000	Uses:	Current Refunding	$1,830,000
	Funds Released from Prior Bond Reserves (Series 2003 & 2005)	160,000		Underwriter's Discount	30,000
				Debt Svc Reserve Fund	30,000
				Issuance Costs	100,000
	Total	**$1,990,000**		**Total**	**$1,990,000**

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

JOBS

Current employment:	250	Projected new jobs:	0
Jobs retained:	250	Construction jobs:	0

FINANCING SUMMARY

Security: The Bonds will be secured by a General Obligation of the City. Additionally, the proposed Bonds will be secured by a pledge of intercepted State Sourced Revenues payable to the City and pledged to the Bond Trustee. In the event of payment default by the City, the Trustee would then be able to intercept Local Sourced Revenues (i.e., Utility Taxes).

In the event intercepted revenue sources are insufficient, the IFA Bonds will be further secured by a Moral Obligation pledge from the State of Illinois pursuant to the Financially Distressed City Law.

- Pursuant to the approval of the Moral Obligation by written approval by the Office of the Governor, it is anticipated that the proposed Refunding Bonds will be rated based upon the State of Illinois Moral obligation rating which is anticipated to be "BBB+", one full rating category below the State's current General Obligation "A+" rating by Standard & Poor's, as customary. Moody's and Fitch currently do not rate the State's Moral Obligation.
  - *A Moral Obligation falls short of a full faith and credit obligation of the State of Illinois. Rather, Bondholders must rely on a best-efforts pledge of the State of Illinois to seek appropriations when needed.*
- The Bonds 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 approximately $1.99 million of Series 2003 and 2005 Refunding Bonds.

PROJECT SUMMARY

Current Refunding Bonds in an amount not-to-exceed $2,500,000 (i.e., the approximate combined outstanding balance of the 11/15/10 maturities for the Series 2003 and Series 2005 issues). Chapman and Cutler, Bond Counsel, will determine the final sizing of these Refunding Bonds.

There will be no new project money.

Total Estimated Refunding: $1,990,000

BUSINESS SUMMARY

Background: The **City of East St. Louis** (the "*City*") was incorporated in 1888. The City has a Council-Manager form of government. The City Council consists of an elected mayor and four council members. The City is a Home Rule Community under the Illinois Constitution located in St. Clair County. The City had a population of 27,500 in 2009 according to Audited 2009 Financial statement, a reduction of approximately 12% from the City's 2000 Census of 31,543, and a reduction of approximately 33% according to the City's 1990 Census of 40,944.

The City of East St. Louis Financial Advisory Authority (the "*Financial Advisory Authority*" or "*FAA*") is a State of Illinois agency established in 1990 and governed by a five-member board appointed by the Governor and confirmed by the Illinois State Senate. Whenever the Illinois General Assembly designates a municipality as being a "financially distressed city", the State of Illinois assumes control of the municipalities' financial accounting, budgeting, and taxing procedures and practices by establishing a Financial Advisory Authority to provide financial oversight.

Accordingly, in implementing the Financially Distressed City Law with respect to the City of East St. Louis, the Illinois General Assembly established the City of East St. Louis Financial Advisory Authority. The FAA is vested with all the powers given the State under the Financially Distressed City Law, including the right to approve the financial plans, budgets, and contracts (including, but not limited to bond underwriting and bond purchase agreements).

The City of East St. Louis Financial Advisory Authority is given, by state statue, all powers necessary to provide for the health, safety and welfare of its residents; to meet its obligations to creditors, employees, vendors, and suppliers; provide proper financial accounting, budgeting, taxing procedures and practices; and to facilitate human and economic development in the City.

Since October 1990, the City has been subject to the Financially Distressed City Laws.

In 1993, with the approval of the FAA, the City devised a Debt Restructuring Plan (DRP) with the Illinois Development Finance Authority (IDFA), now the Illinois Finance Authority (IFA).
Under the DRP, the City reached agreements with its vendors, claimants, employees, and governmental units to accept reduced amounts on their claims for prompt payments. The IDFA issued Debt Restructuring Revenue bonds for $21,434,000 and loaned the proceeds to the City. The City retired and settled claims for approximately $56 million and defeased in substance another $750,000, with an economic savings to the City of $34 million. The City has begun retiring the Bonds issued through the IDFA; the Bond Trustee intercepts State revenues and the bond escrow accounts are funded with the balance remitted to the City.

The initial Series 1994 Bonds were refunded in 2003 and 2005. Specifically, on April 9, 2003, IDFA issued $9,655,000 in Revenue Refunding Bonds to advance refund $9,020,000 in IDFA Series 1994

Bonds. On August 29, 2005, the IFA issued $4,680,000 in Revenue Refunding Bonds to current refund the remaining $4,530,000 in IDFA Series 1994 Bonds. The combined outstanding balances of the 2003 IDFA and 2005 IFA Bonds were $7,055,000 as of December 31, 2009. These refundings in 2003 and 2005 allowed the City to take advantage of the lower interest rates.

Description: The $1,990,000 Series 2010 Bonds will be current refunding a total of:

- IFA Series 2003: $1,095,000 in outstanding principal, 5.00% due 11/15/2010 at par, plus accrued interest of $116,500.
- IFA Series 2005: $555,000 in outstanding principal, 5.00% due 11/15/2010 at par, plus accrued interest of $59,875.

The City's actions are part of a pro-active cash flow management strategy to enable the City to maintain adequate levels of operating funds for the current and forward operating cycles. The estimated additional interest cost to the City is approximately $246,100 over the additional 4-year life of the Bonds and an additional principal amount of $340,000 to cover costs of issuance. This project will not finance new capital improvements.

The final maturity date (11/15/2014) and amortization will extend the debt service for both series of outstanding maturities by one year from the current final maturity of 11/15/2013 that exist in both Series.

Intercept Provision: To secure the performance and observance of the covenants of the Series 2010 Loan Agreement between IFA and the City of East St. Louis, the City will assign and pledge to IFA (and the Bond Trustee) all sums payable to the City from the Illinois Department of Revenue to cover debt service payments on the Bonds. As additional security, the City will also pledge Local Source Utility Taxes, which will be available on a contingent, intercept basis in the event that Primary State Sourced Intercept revenues are insufficient to pay debt service on the IFA Series 2010 Bonds.

Primary State Sourced Intercept Revenues pledged to the Bond Trustee (Bank of New York Mellon Trust) from the State of Illinois include:

- Sales Taxes
- Income Taxes
- Replacement Taxes
- Home Rule Taxes
- Illinois Gaming Board Revenues

Under the State Sourced Revenue Intercept Provision, all State of Illinois Revenues are forwarded to the Bond Trustee which in turn, funds escrow accounts to pay any shortfalls in the City's debt service payments (principal and interest), if any, prior to forwarding the balance of such revenues to the City.

Secondary Local Sourced Intercept Revenues pledged to the Bond Trustee are comprised of Utility Taxes collected by utility companies that serve the City of East St. Louis. These revenues will only be paid to the Bond Trustee in the event of payment default by the City.

The City has never been in payment default regarding the IDFA Series 1994 Bonds, the IDFA (IFA) Series 2003 Bonds, or the IFA Series 2005 Bonds.

ECONOMIC DISCLOSURE STATEMENT

Applicant:	City of East St. Louis, Illinois (Contact: Deletra Hudson, Budget Director/Interim City Manager, City of East St. Louis, 301 River Park Drive, East St. Louis (St. Clair County), IL 62202; Ph.: 618/482-6785; email: deletra.hudson@cesl.us)
Project Name:	Illinois Finance Authority, City of East St. Louis Distressed City Debt Restructuring Refunding Revenue Bonds, Series 2010
Location:	City of East St. Louis, Illinois
Organization:	Constitutional Home Rule City
Officials:	Alvin Parks, Jr., Mayor Deletra Hudson, Budget Director / Interim City Manager John E. Campbell, Director of Finance Joe W. Lewis, Jr, City Treasurer Dorene Hooseman, City Clerk Roy Mosely, Sr., President Pro Tem, Council Member Delbert Marion, Council Member Robert Eastern, Council Member Emeka Jackson, Council Member
FAA Board:	Patrice Rencher, Executive Director Dr. Katie Wright, Vice Chairman Jacqueline Settles, Member Otis Cowan, Member Anthony Grant, Member Vacant Position, Chairman

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Hinshaw & Culbertson	Belleville, IL	Michael Wagner
Bond Counsel:	Chapman and Cutler	Chicago, IL	Chuck Jarik
Underwriter:	Stifel Nicolaus & Co., Inc.	Edwardsville, IL/ St. Louis, MO	Mary C. Kane
Underwriter's Counsel:	Lewis, Rice & Fingersh L.C.	St. Louis, MO	David Brown
State of Illinois Moral Obligation Provider:	Governors Office of Management and Budget	Springfield, IL	David Vaught John Sinsheimer
State Financial Oversight Agency:	City of East St. Louis Financial Advisory Authority	East St. Louis, IL	Patrice Rencher
Trustee:	Bank of New York Mellon	St. Louis, MO	Kerry A. McFarland
Issuer's Counsel:	Burke Burns and Pinelli	Chicago, IL	Stephen Welcome
IFA Financial Advisor:	Acacia Financial	Chicago, IL	Courtney Shea

LEGISLATIVE DISTRICTS

US Congress	12	Jerry Costello
State Senate:	57	James F. Clayborne, Jr.
State House:	114	Eddie Lee Jackson, Sr.

CONDUIT

ILLINOIS FINANCE AUTHORITY

September 14, 2010

$73,000,000
LITTLE COMPANY OF MARY HOSPITAL

REQUEST	**Purpose**: Bond proceeds will be used to: i) pay or reimburse the Corporation or one or more of its affiliates for the payment of the costs of acquiring, constructing, renovating, remodeling and equipping certain health facilities owned by the Corporation and its affiliates; ii) pay a portion of the interest on the Series 2010 Bonds, if deemed necessary or advisable by the Corporation; iii) fund one or more debt service reserve funds, if deemed necessary or advisable by the Corporation; iv) provide working capital, if deemed necessary or advisable by the Corporation; and v) pay certain expenses incurred in connection with the issuance of the Series 2010 Bonds, all as permitted by applicable law. **Program**: Conduit 501(c)(3) Revenue Bonds. **Extraordinary Conditions**: None.
BOARD ACTIONS	Final Bond Resolution. August 10, 2010 Voting Record - 8 ayes, 0 nays, 0 abstained. Brandt, DeNard, Leonard, Fuentes, Rivera, & Zeller absent.
MATERIAL CHANGES	None.
JOB DATA	1,482 FTE's Current jobs N/A New jobs projected 1,482 FTE's Retained jobs 675 Construction jobs projected
DESCRIPTION	• Locations: Evergreen Park (Main Campus), Burbank, Chicago, Chicago Ridge, Oak Lawn, Palos Heights. • The Little Company of Mary Sisters, a religious Congregation of Roman Catholic women, was founded in Nottingham, England by Mother Mary Potter in 1877. At the present time, the Congregation operates two health care facilities in the United States of America and additional health care facilities in Europe, Africa, Australia and New Zealand. • Health care institutions located in the United States of America are operated under the auspices of the American Province of Little Company of Mary Sisters (the "American Province"), located in Evergreen Park, Illinois which sponsors Little Company of Mary Hospital and Health Care Centers (the "Corporation"), also located in Evergreen Park, Illinois (477 licensed beds; 282 beds in service). Memorial Hospital and Health Care Center, located in Jasper, Indiana, is also under the auspice of the American Province. • The Little Company of Mary Hospital and Health Care Centers is a not-for-profit corporation and was incorporated in 1893. • The original hospital facility was dedicated in January 1930. Several additions and renovations were completed throughout the last several decades. • The proceeds of the Bonds, together with certain other funds of the Obligated Group, will be used by the Hospital to construct a new West Pavilion to replace the Tower Building.
CREDIT	• Fixed Rate Bonds.
SECURITY	• The Bonds are expected to be secured by an Obligation of the Little Company of Mary Obligated Group under a Master Trust Indenture. Collateral includes a gross receivables pledge.
INDICATORS	• Underlying rating of "A" (S&P) / Stable Outlook.
MATURITY	• 2050.

SOURCES AND USES

IFA Bonds	$73,000,000	Project Fund & Cap. Int.	$164,375,000
Equity	$100,000,000	DSRF	$7,500,000
		Cost of Issuance	$1,125,000
Total	**$173,000,000**	**Total**	**$173,000,000**

Recommendation Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 14, 2010

Project: Little Company of Mary Hospital

STATISTICS

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

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

BOARD ACTION

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

Credit Review Committee recommends approval

VOTING RECORD

August 10, 2010 Voting Record - 8 ayes, 0 nays, 0 abstained. Brandt, DeNard, Leonard, Fuentes, Rivera, & Zeller absent.

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment:	1,482	Projected new jobs:	N/A
Jobs retained:	1,482	Construction jobs:	675

ESTIMATED SOUCES AND USES OF FUNDS

Sources:	IFA Bonds	$73,000,000	Uses:	Project Fund & Cap. Int.	$164,375,000
	Equity	$100,000,000		DSRF	$7,500,000
				Cost of Issuance	$1,125,000
	Total	**$173,000,000**		**Total**	**$173,000,000**

FINANCING SUMMARY/STRUCTURE

Security:	The Bonds are expected to be secured by an Obligation of the Little Company of Mary Obligated Group under a Master Trust Indenture. Collateral includes a gross receivables pledge.
Interest Rate:	To be determined at time of pricing.
Interest Mode:	Fixed Rate Bonds.
Credit Enhancement:	None.
Credit Rating:	Underlying rating of "A" (S&P) / Stable Outlook.
Maturity:	2050 (40 years)
Estimated Closing Date:	October 20, 2010.

PROJECT SUMMARY

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

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

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

BUSINESS SUMMARY

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

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

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

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

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

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

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: Little Company of Mary.

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

Borrower: Little Company of Mary Hospital.

<u>Board of Trustees</u>:

Sister Kathleen McIntyre, LC.M. Chairperson†	American Province of Little Company of Mary Sisters Evergreen Park, Illinois
Stephen M. Hallenbeck Vice Chairperson†	Professor, St. Xavier University Chicago, Illinois
Thomas M. Fahey Treasurer†	Managing Partner, Ungaretti & Harris LLP Chicago, Illinois
Sister Jean Stickney, L.C.M. Secretary†	American Province, The Little Company of Mary Evergreen Park, Illinois
Dennis A. Reilly†	President/CEO Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
Jay B. Sterns†	Director, Barclays Capital Chicago, Illinois
Patrick Folliard	C.P.A., Patrick Folliard, CPA, PC Palos Hills, Illinois
Brian Farrell, M.D.	Physician, ENT Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
Violet Clark	Partner, Laner, Muchin, Dombrow, Becker, Levin & Tominberg, Ltd Chicago, Illinois
John P. Hanlon, M.D. †	Physician, Ophthalmologist Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
Lawrence Kelley	President/CEO, Standard Bank & Trust Co. Hickory Hills, Illinois
Joseph Pedota	C.P.A., George Bagley & Company, L.LC. Oak Brook, Illinois
Janice Stewart	Strategic Marketing/Realtor Inverness, Illinois
Sister Sharon Ann Walsh, L.C.M.	American Province, The Little Company of Mary Evergreen Park, Illinois
Jayanthi Ramadurai, M.D.	Physician, Oncologist Little Company of Mary Hospital and Health Care Centers Evergreen Park, Illinois
George J. Cullen Vice Chairperson Emeritus*	Partner, Cullen, Haskins, Nicholson & Menchetti Chicago, Illinois

<u>Ex-Officio Members</u>

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

† Executive Committee Member
* Non-voting Member

PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

SERVICE AREA

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

CONDUIT

September 14, 2010

$75,000,000
PROVENA HEALTH

REQUEST	**Purpose**: Proceeds will be used to 1) to reimburse Provena for prior system-wide capital expenditures and 2) to pay costs of issuance **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None
BOARD ACTIONS	Final Bond Resolution August 10, 2010 Voting Record - 8 ayes, 0 nays, 0 abstained. Brandt, DeNard, Leonard, Fuentes, Rivera, & Zeller absent.
MATERIAL CHANGES	Not applicable.
JOB DATA	8,577 FTE's[1] Current jobs — 0 New jobs projected 8,577 FTE's[1] Retained jobs — 0 Construction jobs projected
DESCRIPTION	● Location (Multiple Locations / Cook, Will, & Kane County / Northeast Region) ● Provena Health is a Catholic health system that includes six hospitals, 16 long-term care and senior residential facilities, 28 clinics, five home health agencies and other health-related activities operating in Illinois and Indiana. ● Provena Health ministries are sponsored by the Franciscan Sisters of the Sacred Heart, the Servants of the Holy Heart of Mary and the Sisters of Mercy of the Americas.
CREDIT INDICATORS	● Variable Rate Debt ● Current rating of Provena Health is "Baa1"/ "BBB+" (Moody's / S&P)
PROPOSED STRUCTURE	● Bonds will be issued based on the underlying credit of one or more direct pay letters of credit from one or more banks to be determined. ● Bonds will mature no later than 2045

SOURCES AND USES

IFA Bonds	$75,000,000	Project fund	$75,000,000
Equity	$1,125,000	Costs of Issuance	$1,125,000
Total	**$76,125,000**	Total	**$76,125,000**

RECOMMENDATION Credit Review Committee recommends approval.

[1] 10,838 total employees

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 14, 2010

Project: Provena Health

STATISTICS

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

Amount: $75,000,000 (Not-to-Exceed)
IFA Staff: Pam Lenane & Shannon Govia

BOARD ACTION

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

No Extraordinary Conditions
Credit Review Committee recommends approval.

VOTING RECORD

August 10, 2010 Voting Record - 8 ayes, 0 nays, 0 abstained. Brandt, DeNard, Leonard, Fuentes, Rivera, & Zeller absent.

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

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

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

ESTIMATED SOUCES AND USES OF FUNDS

IFA Bonds	$75,000,000	Project fund	$75,000,000
Equity	$1,125,000	Costs of Issuance	$1,125,000
Total	**$76,125,000**	Total	**$76,125,000**

FINANCING SUMMARY/STRUCTURE

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

Interest Mode:	Variable Rate Demand Bonds reset daily or weekly
Credit Enhancement:	Bank Direct-Pay Letter of Credit (Bonds will be issued based on the credit strength of one or more banks to be determined)
Maturity:	2045
Borrower Rating:	“Baa1”/ “BBB+” (Moody’s / S&P)
Bank Rating:	TBD – Based on LOC Provider(s)
Estimated Closing Date:	September 22, 2010

PROJECT SUMMARY

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

BUSINESS SUMMARY

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

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

Name	Professional Affiliation	Term Ends December 31,
William Berry, PhD	Associate Chancellor; Associate Professor University of Illinois	2011
Robert Biedron *Chairperson*	President, Voyaguer’s Landing Development Corp.	2010
Aida Giachello, Ph.D	Associate Professor and Director Midwest Latino Health Research, Training and Policy Center	2012

Mark Hanson *Vice Chairperson*	Attorney in Private Practice	2011
Sister Linda Hatton, SSCM, *Secretary*	Provincial Superior Servants of the Holy Heart of Mary	2010
Thomas Huberty, MD	Physician	2011
Sister Mary Elizabeth Imler, OSF	Franciscan Sisters of the Sacred Heart	2010
Bettina Johnson *Treasurer*	Vice President, Retired (2007) J.P. Morgan Chase	2010
Lucia Jones	Executive Director Northeastern Illinois Area Agency on Aging	2012
Marsha Ladenburger	Quality Management Consultant L&A Healthcare	2010
Sister Terry Maltby, RSM	Governance Consultant Wellspring Partners	2010
Becky Meggesin	Vice President, Human Resources Nicor	2012
Daniel Russell	President-Emeritus Catholic Health East	2011
Kent Russell	Retired Executive VP/CFO Catholic Health East	2011
Guy Wiebking, President and CEO	Provena Health	2011

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Ungaretti & Harris	Chicago	Julie K. Seymour
Borrower's Financial Advisor:	KaufmanHall	Chicago	Ken Kaufman Jim Blake
Accountant:	KPMG	Chicago	Jim Stark
Bond Counsel:	Jones Day	Chicago	David Kates
Bond Underwriter:	J.P. Morgan	Chicago	Tim Wons
Underwriter's Counsel:	Sonnenschein Nath and Rosenthal	Chicago	Mary Wilson
LOC Bank	JPMorganChase, Fifth Third Bank, Union Bank	Various	Tim Ruby (JPM) Rich Johnsen (5^{th}-3^{rd}) Sean Conlon (Union)
Bank Counsel	Foley and Lardner	Chicago	Laura Bilas
	Musick, Peeler & Garrett	Los Angeles	Neal Millard
Issuer's Counsel:	Steve Lawrence & Associates	Chicago	Steve Lawrence
IFA Advisors:	Acacia Financial	Chicago	Courtney Shea

LEGISLATIVE DISTRICTS

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

SERVICE AREA

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

BACKGROUND INFORMATION

System Overview

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

Sponsorship

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

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

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

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

Corporate Organization

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

ILLINOIS FINANCE AUTHORITY

CONDUIT

September 14, 2010

$42,000,000

BELOIT HEALTH SYSTEM

REQUEST	**Purpose**: Proceeds will be used to 1) Refinance Series 2006A bonds and 2) pay costs of issuance. **Program**: Conduit 501(c)(3) Revenue Bonds **Extraordinary Conditions**: None.
BOARD ACTIONS	Preliminary Bond Resolution
MATERIAL CHANGES	None
JOB DATA	1190 FTE's Current jobs — N/A New jobs projected 1190 FTE's Retained jobs — N/A Construction jobs projected
DESCRIPTION	● Location – Winnebago County/Northern Stateline ● Description – Beloit Health System is located approximately 75 miles northwest of Chicago. The hospital operates an acute care hospital with 256 licensed beds and provides inpatient, outpatient, emergency and home care services in Beloit, Wisconsin and surrounding communities, including north central Illinois. Approximately 8 miles south of the hospital's Beloit campus, the corporation owns and operates NorthPointe Health and Wellness Campus, a health and wellness center and a 24-unit assisted living facility in Roscoe, IL. Effective January 2010, the corporation purchased the Beloit Clinic, a multi-specialty physician group in Beloit, WI which has been integrated as an integrated delivery system.
CREDIT INDICATORS	● Direct Bank Purchase (JPMorgan Chase) ● Beloit Health System is currently rated "A-" by Fitch
SECURITY	● Revenue pledge, mortgage ● Bonds will Mature no later than 2045

SOURCES AND USES

IFA Bonds	$42,000,000	Refund 2006A Bonds	$40,325,000
		Cost of Issuance	$1,675,000
Total	**$42,000,000**	Total	**$42,000,000**

RECOMMENDATION Credit Review Committee recommends approval.

ILLINOIS FINANCE AUTHORITY
BOARD SUMMARY
September 14, 2010

Project: Beloit Health System

STATISTICS

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

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

BOARD ACTION

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

No Extraordinary Conditions
Credit Committee recommends approval.

VOTING RECORD

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

PURPOSE

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

IFA PROGRAM AND CONTRIBUTION

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

VOLUME CAP

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

JOBS

Current employment: 1,190 FTE's
Jobs retained: 1,190 FTE's

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

ESTIMATED SOUCES AND USES OF FUNDS

IFA Bonds	$42,000,000	Refund 2006A Bonds	$40,325,000
		Cost of Issuance	$1,675,000
Total	**$42,000,000**	Total	**$42,000,000**

FINANCING SUMMARY/STRUCTURE

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

Borrower Rating: NR/NR/A- (Fitch)

Estimated Closing Date: October 21, 2010

PROJECT SUMMARY

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

BUSINESS SUMMARY

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

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

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

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

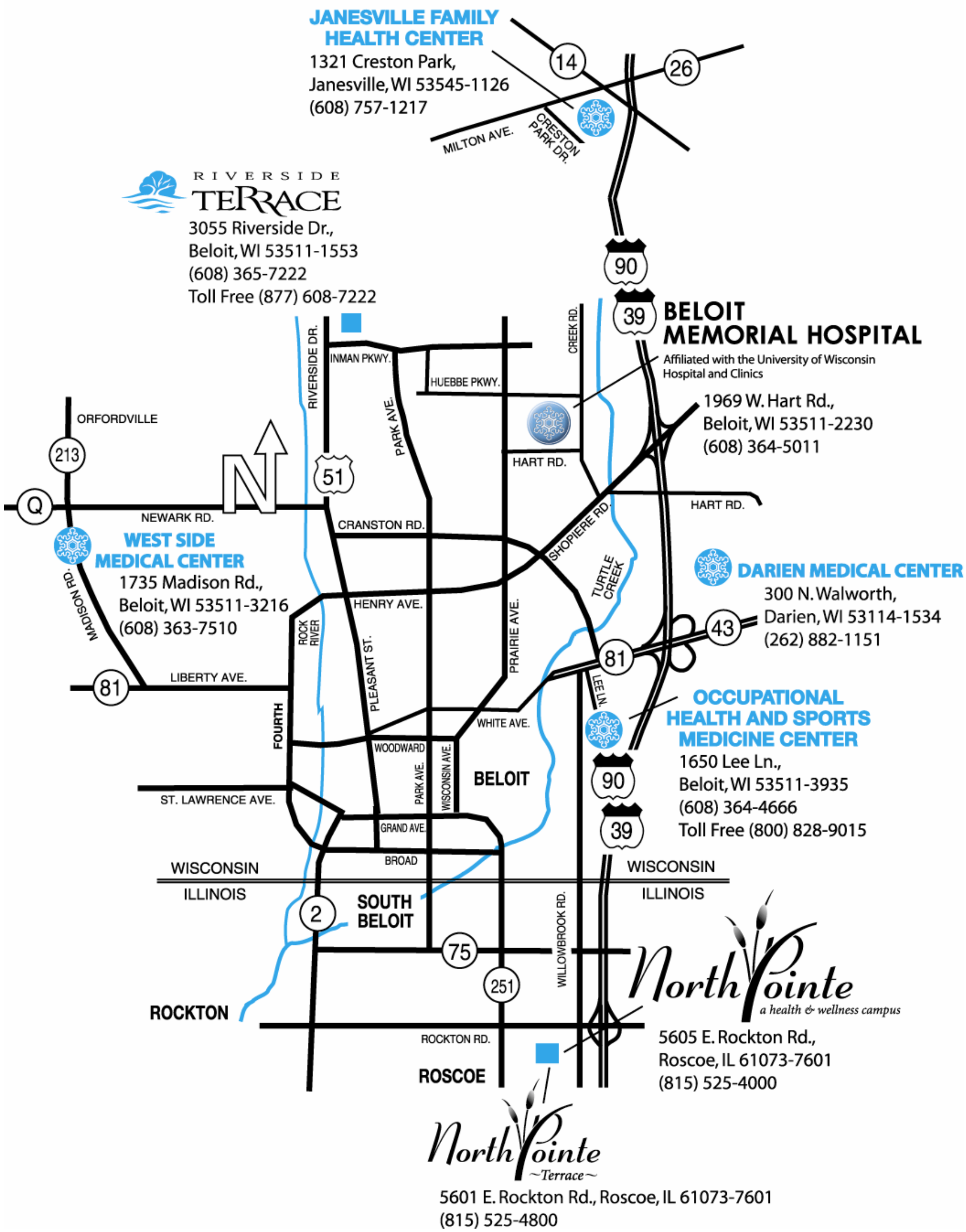
PROFESSIONAL & FINANCIAL

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

LEGISLATIVE DISTRICTS

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

SERVICE AREA



BACKGROUND INFORMATION

Hospital Overview

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

ILLINOIS FINANCE AUTHORITY
Memorandum

To: IFA Board of Directors

From: Rich Frampton

Date: September 14, 2010

Re: Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement , which provides for the addition of a new interest rate mode, and related matters in Connection with the Outstanding 501(c)(3) Revenue Bonds (The Thresholds Project Series 2005)

IFA Series 2005 501(c)(3) Revenue Bonds (The Thresholds Project)

IFA File Number: N-NP-TE-CD-519

Request:

The Thresholds ("Thresholds" or the "Borrower") is requesting approval of a Resolution to approve an Amended and Restated Trust Indenture and a First Amendment to the Loan Agreement to enable creation of a Direct Purchase Mode, a new interest rate mode for the Series 2005 Bonds.

The Thresholds is requesting approval of this Resolution to enable The Thresholds to replace its existing LOC-enhanced structure (secured by a Direct Pay Letter of Credit from The Northern Trust Company) with a Direct Purchase Structure. MB Financial Bank, N.A. (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 Thresholds project was approximately $8,000,000 as of 8/1/2010.

This new structure, due to the addition of this new interest rate mode will be considered a reissuance for tax purposes. IFA's fee for this restructuring will be $10,000.

Background:

IFA originally issued $8,000,000 of Bonds on behalf of The Thresholds in November 2005. Bond proceeds were loaned to The Thresholds and used to finance the acquisition, renovation, and equipping of certain facilities of the Borrower located in Chicago, Illinois. All payments relating to the IFA Series 2005 Bonds have been current and paid as scheduled.

The Thresholds is a Chicago-based social service agency that provides comprehensive, individualized programs of mental health services that include psychiatric rehabilitation and recovery programs, outreach programs, housing, educational advancement, social opportunities and employment services.

PROFESSIONAL & FINANCIAL

Borrower's Counsel:	Bruce Jefferson (in-house counsel)	Chicago, IL	
Bond Counsel:	Greenberg Traurig, LLP	Chicago, IL	Matt Lewin
Bond Purchaser:	MB Financial Bank, N.A.	Rosemont, IL	Bernard Bartilad
Bank Counsel:	Burke Burns & Pinelli, LLP	Chicago, IL	Mary Ann Murray
Bond Trustee:	US Bank, N.A.	St. Paul, MN	Ken Brandt
IFA Counsel:	Tyson Strong Hill Connor, LLP	Chicago, IL	Lance Tyson
IFA Financial Advisor:	Scott Balice Strategies LLC	Chicago, IL	Lois Scott

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Martin N. Sandler

*Past Presidents
**Honorary Director

Enclosure: Copy of IFA Resolution 2010-09-XX

DRAFT

IFA RESOLUTION NO. 2010-09-__-__

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDED AND RESTATED INDENTURE OF TRUST AND A FIRST AMENDMENT TO LOAN AGREEMENT RELATING TO $8,000,000 ORIGINAL PRINCIPAL AMOUNT OF ADJUSTABLE RATE DEMAND REVENUE BONDS, SERIES 2005 (THE THRESHOLDS PROJECT) OF THE ILLINOIS FINANCE AUTHORITY WHICH AMENDMENTS PROVIDE FOR THE ADDITION OF A NEW INTEREST RATE MODE; AND RELATED MATTERS.

WHEREAS, the Illinois 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 "**Authority**"), including, without limitation, the Illinois Finance Authority Act, 20 ILCS 3501/801-1 et seq., as supplemented and amended (the "**Act**"), has previously issued its $8,000,000 aggregate principal amount Adjustable Rate Demand Revenue Bonds, Series 2005 (The Thresholds Project) which are outstanding as of the date hereof in the aggregate principal amount of [PRINCIPAL AMOUNT] (the "**Bonds**"); and

WHEREAS, in furtherance of the issuance of the Bonds, the Authority entered into an Indenture of Trust dated as of November 1, 2005 (the "**Indenture**") with The Bank of New York Mellon Trust Company, N.A. (as successor to J.P. Morgan Trust Company, National Association), as Trustee (the "**Trustee**"), and a Loan Agreement dated as of November 1, 2005 (the "**Loan Agreement**") with The Thresholds, an Illinois not for profit corporation (the "**Borrower**"), pursuant to which the proceeds of the Bonds were loaned by the Authority to the Borrower to finance a portion of the costs of the acquisition, renovation and equipping of certain facilities of the Borrower in Chicago, Illinois and to finance a portion of the costs of issuing the Bonds; and

WHEREAS, payment of the Bonds is currently supported by a Letter of Credit (the "**Letter of Credit**") issued by The Northern Trust Company (the "**Bank**"), which Letter of Credit expires in November 2010; and

WHEREAS, the Bank has indicated that it will not renew the Letter of Credit and the Borrower has arranged for the purchase of the Bonds in whole by MB Financial Bank, N.A. (the "**Purchaser**") without any credit enhancement for the Bonds; and

WHEREAS, the Authority and the Borrower desire to add a new interest rate mode to the Indenture (the "**Direct Purchase Mode**") under which the Bonds will be initially owned by the Purchaser; and

WHEREAS, the Indenture permits the supplementation and amendment of the Indenture and the Loan Agreement with the consent of the owner of the Bonds, the Trustee and the Borrower; and

WHEREAS, (i) the Trustee has agreed that it will consent to amendments to the Indenture (including the revised form of Bond contained therein) and the Loan Agreement in the form, respectively, of the Amended and Restated Indenture of Trust (the "**Amended Indenture**") between the Authority and the Trustee and the First Amendment to Loan Agreement (the "**Amended Loan Agreement**") between the Authority and the Borrower, to add the Direct Purchase Mode and to make other changes not inconsistent with the provisions of this Resolution; (ii) the Borrower has agreed that it will enter into the Amended Loan Agreement and will consent to the entering into of the Amended Indenture and that it will also enter into or provide any supplemental tax or other certificates required by Greenberg Traurig, LLP, as Bond Counsel (the "**Supplemental Certificates**"); and (iii) the Purchaser, as the registered owner of 100% of the outstanding principal amount of the Bonds on the amendment closing date will consent to the entering into of the Amended Indenture and the Amended Loan Agreement; and

WHEREAS, in order to effectuate the above, the Borrower has requested the Authority to approve and to enter into the Amended Indenture (including the revised form of Bond contained therein) and the Amended Loan Agreement, each in substantially the form submitted to the Authority and before it at this meeting, and to enter into or provide any Supplemental Certificates; and

WHEREAS, it is necessary, desirable and in the best interests of the Authority to authorize the execution and delivery of (i) the Amended Indenture, (ii) the Amended Loan Agreement, and (iii) the revised Bonds in substantially the form set forth in the Amended Indenture (the "**Revised Bonds**");

NOW THEREFORE, BE IT RESOLVED by the Members of the Illinois Finance Authority on September 14, 2010, as follows:

Section 1. That all of the recitals contained in the preambles to this Resolution are full, true and correct, and are hereby incorporated into this Resolution by this reference.

Section 2. That, pursuant to the Act, the modification of the terms of the financing of the facilities financed with the proceeds of the Bonds in accordance with the terms of the Amended Indenture and the Amended Loan Agreement are hereby approved and authorized, and such modifications are in furtherance of the Authority's public purposes.

Section 3. That the Authority is hereby authorized to enter into the Amended Indenture with the Trustee in substantially the same form now before the Authority; that the form, terms and provisions of the Amended Indenture be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Amended Indenture in the name, for and on behalf of the Authority, and thereupon to cause the Amended Indenture to be delivered to the Trustee in substantially the form now before the Authority or with such changes or revisions therein as the individual executing the Amended Indenture on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the form of the Amended Indenture now before the Authority; that when the Amended Indenture is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Amended Indenture shall be binding on the Authority; that from and after the execution and delivery of the Amended 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 Amended Indenture as executed; and that the Amended Indenture shall constitute, and hereby is made, a part of this Resolution, and a copy of the Amended 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 4. That the Authority is hereby authorized to enter into the Amended Loan Agreement with the Borrower in substantially the same form now before the Authority; that the form, terms and provisions of the Amended Loan Agreement be, and they hereby are, in all respects approved; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority be, and each of them hereby is, authorized, empowered and directed to execute, and the Secretary or any Assistant Secretary of the Authority be, and each of them hereby is, authorized, empowered and directed to attest and to affix the official seal of the Authority to, the Amended Loan Agreement in the name, for and on behalf of the Authority, and thereupon to cause the Amended Loan Agreement to be delivered to the Borrower in substantially the form now before the Authority or with such changes or revisions therein as the individual executing the Amended Loan Agreement on behalf of the Authority shall approve, his or her execution thereof to constitute conclusive evidence of such approval of any and all changes and revisions therein from the form of the Amended Loan Agreement now before the Authority; that when the Amended Loan Agreement is executed, attested, sealed and delivered on behalf of the Authority as hereinabove provided, such Amended Loan Agreement shall be binding on the Authority; that from and after the execution and delivery of the Amended Loan Agreement, the officers, employees and agents of the Authority are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Amended Loan Agreement as executed; and that the Amended Loan Agreement shall constitute, and hereby is made, a part of this Resolution, and a copy of the Amended Loan Agreement shall be placed in the official records of the Authority and shall be available for public inspection at the office of the Authority.

Section 5. That the form of the Revised Bonds in substantially the same form now before the Authority, subject to appropriate insertions and revisions in order to comply with the provisions of the Amended Indenture (as executed and delivered), is hereby approved; that the Revised Bonds shall be executed in the name, for and on behalf of the Authority with the manual or facsimile signature of the Chairman, the Vice Chairman, the Treasurer or the Executive Director and attested with the manual or facsimile signature of the Secretary or any Assistant Secretary and the official seal of the Authority shall be impressed or imprinted thereon; that the Authority deems it proper to delegate to the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority the power to approve any and all changes to the Revised Bonds as the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority shall, on behalf of the Authority, determine, subject to the terms of the Revised Bonds contained in the Amended Indenture; that any such determinations shall be conclusive, shall be evidenced by the execution and delivery by the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority of the Revised Bonds, and shall be authorized by this Resolution; that the Revised Bonds, as executed, shall be binding on the Authority; that the Chairman, the Vice Chairman, the Treasurer or the Executive Director of the Authority or the Secretary or any Assistant Secretary of the Authority shall cause the Revised Bonds, as so executed and attested, to be delivered to the Trustee for authentication; that when the Revised Bonds shall be executed on behalf of the Authority in the manner and containing the terms contemplated by the Amended Indenture and this Resolution in an aggregate principal amount not to exceed the amount of Bonds outstanding on the date of such execution, they shall represent the approved form of Revised Bonds of the Authority.

Section 6. That the Chairman, the Vice Chairman, the Treasurer, the Executive Director, the Secretary and any Assistant Secretary of the Authority be, and each of them hereby is, authorized to execute and deliver such documents, Supplemental Certificates, 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 Amended Indenture, the Amended Loan Agreement and the Revised Bonds authorized by this Resolution, including without limitation the signing of IRS Form 8038 and the filing thereof with the Internal Revenue Service if required by Bond Counsel.

Section 7. That all acts of the officers, employees and agents of the Authority which are in conformity with the intent and purposes of this Resolution, whether heretofore or hereafter taken or done, be, and the same hereby are, in all respects, ratified, confirmed and approved.

Section 8. That any references in this Resolution to the "Executive Director" shall be deemed also to refer to the "Authorized Officers" to whom the delegation of the authority of the Executive Director was authorized and approved pursuant to, and in accordance with the terms of, Section 2 of Resolution Number 2009-06-17 adopted by the Authority on June 9, 2009.

Section 9. 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 10. That all resolutions and orders, or parts thereof, in conflict herewith are hereby superseded to the extent of such conflict.

Section 11. That this Resolution shall be in full force and effect immediately upon its passage, as by law provided.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Passed and approved this 14th day of September, 2010.

Attest: ILLINOIS FINANCE AUTHORITY

[SEAL] By ____

By ______________________________

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Pam Lenane

DATE: September 14, 2010

RE: Resolution approving an Amended and Restated Indenture of Trust and an Amended and Restated Loan Agreement related to the Revenue Refunding Bonds, Series 1999A (Beacon Hill), Revenue Refunding Bonds, Series 2005A (Beacon Hill), and Revenue Refunding Bonds, Series 2005B (Beacon Hill) extendable rate adjustable securities (EXTRAS) issued by the Illinois Finance Authority.(Beacon Hill)

BACKGROUND:

The Authority has issued the Bonds to finance or refinance the Beacon Hill facility. The Authority is a party to a Trust Indenture securing the Bonds and a Loan Agreement with Lifespace Communities, Inc. (formerly Life Care Retirement Communities, Inc.), the owner of Beacon Hill, under which the Authority loaned the proceeds of the Bonds to Lifespace Communities for purposes related to Beacon Hill.

Under the existing Indenture, Loan Agreement and Note, Lifespace Communities is only obligated to make payments from Beacon Hill's revenues, and the Beacon Hill facility is mortgaged to secure the Beacon Hill Bonds. The Beacon Hill Bonds are not rated. Lifespace Communities has several other facilities. Each other facility has outstanding bonds that, like Beacon Hill, are payable solely from the revenues of that facility and are secured solely by that facility.

Lifespace Communities is proposing to revamp the structure for Beacon Hill and several other Lifespace Communities facilities so that the Beacon Hill Bonds and those other facilities' bonds are payable from the revenues of all of those facilities and are secured by all of those facilities. To accomplish this, Lifespace Communities would enter into a master indenture with a master trustee and would issue master indenture notes under the master indenture to secure the Beacon Hill Bonds and those other facilities' bonds. The master indenture notes would be secured by mortgage or similar liens on those facilities and a security interest in those facilities' revenues.

Lifespace Communities believes this change would strengthen the creditworthiness of the Beacon Hill Bonds and the other bonds. Lifespace Communities expects the Beacon Hill Bonds to have a rating of "BBB+" or "A-" (Fitch Ratings) as a result of the new structure. Conversion to the new structure requires that the Beacon Hill Indenture and Loan Agreement be amended so that (i) the surrender of existing Lifespace Communities' limited obligation note by the bond trustee in exchange for Lifespace Communities' master note, (ii) Lifespace Communities' obligation under the Beacon Hill Loan Agreement is not limited to Beacon Hill's revenues, but is payable from revenues of all of Lifespace Communities' facilities participating in the new structure, (ii) the Beacon Hill facility can secure the master indenture notes backing the Beacon Hill Bonds and all of those facilities' bonds instead of just the existing note backing the Beacon Hill Bonds (with those facilities also to secure the master indenture note backing the Beacon Hill Bonds as well as the master indenture notes backing those facilities' other bonds) and (iii) Lifespace Communities' covenants are revised by deleting various covenants in the Loan Agreement that apply only to Beacon Hill and its operations (but not deleting covenants relating to the use of the Facility as required to maintain the federal tax status of the Bonds or to comply with the Illinois Health Facilities Act or other applicable Illinois laws), which covenants would be replaced by covenants in the master indenture respecting all of Lifespace Communities' facilities and their operations.

REQUEST:

The existing Beacon Hill Indenture requires the consent of the Authority as well as the owners of 51% of the principal amount of the outstanding bonds for the proposed amendments. Lifespace Communities is soliciting the consent of the bondholders. Lifespace Communities expects the Bond Trustee to consent to these amendments.

RECOMMENDATION:

The Credit Review Committee recommends approval of the specified amendment of the Bond Trust Indentures and Loan Agreements.

RESOLUTION NUMBER 2010-_________

RESOLUTION approving an amended and restated Indenture of Trust and an amended and restated Loan Agreement related to the Revenue Refunding Bonds, Series 1999A (Beacon Hill), Revenue Refunding bonds, Series 2005A (Beacon Hill), and Revenue Refunding Bonds, Series 2005B (Beacon Hill) Extendable Rate Adjustable Securities (EXTRAS). Issued by the Illinois Finance Authority.

WHEREAS, the Illinois Finance Authority (the "Issuer") has issued its Revenue Refunding Bonds, Series 1999A (Beacon Hill), Revenue Refunding bonds, Series 2005A (Beacon Hill), and Revenue Refunding Bonds, Series 2005B (Beacon Hill) Extendable Rate Adjustable Securities (EXTRAS), (the "Bonds"), to finance or refinance the cost of a facility known as Beacon Hill (the "Facility"); and

WHEREAS, the Bonds were issued under and are secured by a Trust Indenture dated as of October 1, 1989, between the Issuer and U.S. Bank National Association, as successor Trustee (the "Bond Trustee"), as supplemented and amended by a First Supplemental Trust Indenture dated as of April 1, 1997, a Second Supplemental Trust Indenture dated as of May 1, 1999, a Third Supplemental Trust Indenture dated as of May 1, 1999, a Third Supplement to Trust Indenture dated as of March 31, 2002, a Fifth Supplemental Trust Indenture dated as of March 15, 2005, a Sixth Supplemental Trust Indenture dated as of March 15, 2005, and a Seventh Supplemental Trust Indenture dated as of March 15, 2005 (the "Existing Indenture"); and

WHEREAS, the Issuer loaned the proceeds of the Bonds to Lifespace Communities, Inc. (the "Corporation"), an Iowa nonprofit corporation formerly know as Life Care Retirement Communities, Inc., that owns and operates the Facility, pursuant to a Loan Agreement dated as of May 1, 1989, between the Corporation and the Authority, as supplemented and amended by the First Supplemental Loan Agreement dated as of April 1, 1997, a Second Supplemental Loan Agreement dated as of May 1, 1999, a Third Supplement to Loan Agreement dated as of March 31, 2002, and a Fourth Supplemental Loan Agreement dated as of March 15, 2005 (the "Existing Loan Agreement"); and

WHEREAS, the Corporation has issued its First Mortgage Notes, Series 1999A, 2005A and 2005B (the "Existing Notes"), to the Issuer to evidence its obligation to repay the loan, and the Issuer pledged and assigned the Existing Notes to the Bond Trustee pursuant to the Existing Indenture to secure the Bonds; and

WHEREAS, the Corporation has executed and delivered a Mortgage and Security Agreement dated as of April 15, 1988, which has been supplemented and amended by a First Supplemental Mortgage and Security Agreement dated as of October 1, 1989, a Second Supplemental Mortgage and Security Agreement dated as of April 1, 1997, a Third Supplemental Mortgage and Security Agreement dated as of May 1, 1999, and a Fourth Supplemental Mortgage and Security Agreement dated as of March 15, 2005 (the "Existing Mortgage"), to the Issuer and the Issuer has assigned the Existing Mortgage to the Bond Trustee pursuant to the Existing Indenture to secure the Bonds; and

WHEREAS, the Corporation now desires to enter into a Master Indenture with a Master Trustee and issue Master Indenture Notes thereunder to secure the Bonds in exchange for (a) the surrender of the Existing Notes (b) the surrender the Original Note, (b) the assignment of the Existing Mortgage and the interests granted to the Trustee thereunder to the Master Trustee to secure, along with mortgages on other facilities of the Corporation, all Master Notes issued under the Master Indenture and (c) amendment and restatement of the Existing Indenture, the Existing Loan Agreement and the Existing Mortgage pursuant to an Amended and Restated Trust Indenture, and Amended and Restated Loan Agreement and an Amended and Restated Mortgage and Security Agreement to accomplish the foregoing, to remove the limitation on the Corporation's obligations under the Existing Loan Agreement and the Existing Mortgage and to delete various covenants related to the Facility and its operations (but not deleting covenants relating to the use of the Facility as required to maintain the federal tax status of the Bonds or to comply with the Illinois Health Facilities Act or other applicable Illinois laws), all as set forth therein;; and

WHEREAS, the Master Indenture will contain various covenants related to the Corporation, any other members of the obligated group thereunder and their facilities, including the Facility); and

WHEREAS, Sections 902, 1002 and 1004 of the Existing Indenture authorize the execution and delivery of amendments to the Existing Indenture, the Existing Loan Agreement and the Existing Mortgage with the consent of the Authority, the Trustee, the Corporation and the owners of not less than 51% in aggregate principal amount of the Bonds outstanding under the Existing Indenture; and

WHEREAS, the Corporation is soliciting those consents;

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

Section 1. Approval of Documents. The Amended and Restated Trust Indenture, the Amended and Restated Loan Agreement and the Amended and Restated Mortgage and Security Agreement are hereby approved in substantially the forms submitted to the Issuer on the date hereof and as attached hereto, with such changes therein as shall be approved by the Chair or any Vice Chair of the Issuer, that officer's execution of the Amended and Restated Trust Indenture and the Amended and Restated Loan Agreement to be conclusive evidence of such approval.

Section 2. Execution and Delivery of Documents. The ________ or any ______of the Authority is hereby authorized to execute and deliver the Amended and Restated Trust Indenture and the Amended and Restated Loan Agreement if the requisite percentage of bondholders have consented to those documents.

Section 2. Further Authority. The Issuer shall, and the officers and agents of the Issuer are hereby authorized and directed to, take such action and execute such other agreements, documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this resolution and to carry out, comply with and perform the duties of the Issuer with respect to the Amended and Restated Trust Indenture, the Amended and Restated Loan Agreement and the Amended and Restated Mortgage and Security Agreement.

Section 3. Effective Date. This resolution shall take effect and be in full force from and after its passage by the governing body of the Issuer.

ADOPTED by the governing body of Illinois Finance Authority this ___ day of _______________, 2010.

[SEAL]

____
Chairman

ATTEST:

____
Secretary

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Pam Lenane

DATE: September 14, 2010

RE: Resolution authorizing the execution and delivery of a First Supplemental Bond Trust Indenture relating to the Variable Rate Demand Revenue Bonds, Series 2008E issued for the benefit of Elmhurst Memorial Healthcare to revise qualifications of the Remarketing Agent.

BACKGROUND:

On May 22, 2008, the Authority issued its $25,000,000 Variable Rate Demand Revenue Bonds, Series 2008E (Elmhurst Memorial Healthcare) (the "*Series 2008E Bonds*"), which are secured by a Bond Trust Indenture dated as of May 15, 2008 (the "*Bond Indenture*"), between the Authority and Wells Fargo Bank, N.A., as bond trustee (the "*Bond Trustee*"), and loaned the proceeds thereof to Elmhurst Memorial Healthcare (the "*Corporation*") to assist the Corporation in providing the funds necessary to (i) pay or reimburse the Corporation and Elmhurst Memorial Hospital, an Illinois not for profit corporation, for the payment of, or refinancing indebtedness, the proceeds of which were applied to pay the costs of acquiring, constructing and equipping an acute care hospital and related facilities; (ii) fund a portion of the interest on the Series 2008E Bonds; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2008E Bonds.

The Series 2008E Bonds bear interest at a variable rate and are subject to optional and mandatory tender. In order to provide for the remarketing of tendered bonds, the Corporation had selected Citigroup (which originally underwrote the Series 2008E Bonds) as remarketing agent. The Corporation now desires to replace Citigroup with Fifth Third Securities. Fifth Third Bank currently provides the letter of credit which secures the Series 2008E Bonds. Because a form of bond trust indenture provided by Citigroup was used for the Series 2008E Bonds, the net worth requirement for the Remarketing Agent is set unusually high at $100,000,000. The Authority only requires $25,000,000.

REQUEST:

The Corporation has requested that the Authority approve the amendment of Section 506(a) of the Bond Indenture to amend the required qualifications of the Remarketing Agent (as defined under the Bond Indenture) to reflect a lower net worth ($25,000,000). The Credit Facility (Fifth Third Bank) has indicated it will consent to the amendment of Section 506(a) of the Bond Indenture.

RECOMMENDATION:
The Credit Review Committee recommends approval of the amendment of the Bond Trust Indentures and Loan Agreements.

IFA Resolution Number 2010-09-__-__

Resolution authorizing the execution and delivery of a First Supplemental Bond Trust Indenture relating to the Variable Rate Demand Revenue Bonds, Series 2008E issued for the benefit of Elmhurst Memorial Healthcare.

WHEREAS, the Illinois Finance Authority (the "*Authority*") has been created by, and exists under, the Illinois Finance Authority Act (the "*Act*"); and

WHEREAS, on May 22, 2008, the Authority issued its $25,000,000 Variable Rate Demand Revenue Bonds, Series 2008E (Elmhurst Memorial Healthcare) (the "*Series 2008E Bonds*"), which are secured by a Bond Trust Indenture dated as of May 15, 2008 (the "*Bond Indenture*"), between the Authority and Wells Fargo Bank, N.A., as bond trustee (the "*Bond Trustee*"), and loaned the proceeds thereof to Elmhurst Memorial Healthcare (the "*Corporation*") to assist the Corporation in providing the funds necessary to (i) pay or reimburse the Corporation and Elmhurst Memorial Hospital, an Illinois not for profit corporation, for the payment of, or refinancing indebtedness, the proceeds of which were applied to pay the costs of acquiring, constructing and equipping an acute care hospital and related facilities; (ii) fund a portion of the interest on the Series 2008E Bonds; and (iii) pay certain expenses incurred in connection with the issuance of the Series 2008E Bonds; and

WHEREAS, the Corporation has requested that the Authority approve the amendment of Section 506(a) of the Bond Indenture to amend certain qualifications of the Remarketing Agent (as defined under the Bond Indenture); and

WHEREAS, Section 902(a) of the Bond Indenture permits Fifth Third Bank (the *"Credit Facility Issuer"*) to consent to amendments to the Bond Indenture on behalf of the owners of the Series 2008E Bonds so long as the Credit Facility Issuer has not lost any of its rights pursuant to Section 1310 of the Bond Indenture; and
WHEREAS, the Credit Facility Issuer has indicated to the Authority that it has not lost any of its rights pursuant to Section 1310 of the Bond Indenture and that it will consent to the amendment of Section 506(a) of the Bond Indenture; and

WHEREAS, a draft of a First Supplemental Bond Trust Indenture (the "*First Supplemental Indenture*") providing for such amendment has previously been provided to and is on file with the Authority.

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

1. Authority Documents. The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Members (each an "*Authorized Officer*") and the delivery and use of the First Supplemental Indenture for the Series 2008E Bonds. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to the First Supplemental Indenture. The First Supplemental Indenture shall be substantially in the form attached hereto and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the form of the First Supplemental Indenture attached hereto.

2. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of this resolution and the First Supplemental Indenture, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the First Supplemental Indenture or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer to act, any two Members of the

Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the First Supplemental Indenture.

ADOPTED this ____ day of September, 2010 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____

Secretary

ILLINOIS FINANCE AUTHORITY

MEMORANDUM

TO: IFA Board of Directors

FROM: Pam Lenane

DATE: September 14, 2010

RE: A Resolution Authorizing an Amendment to the Series 1995 & Series 1996 Bond Trust Indenture and Loan Agreements to provide for the issuance of beneficial interests in the Series 1995 Bonds and the Series 1996 Bonds through a book entry only system.
(NorthShore University HealthSystem)

BACKGROUND:

On November 7, 1995, the Illinois Health Facilities Authority (the "Health Authority") issued its $50,000,000 Variable Rate Adjustable Demand Revenue Bonds, Series 1995 (Evanston Hospital Corporation) (the "Series 1995 Bonds"), and loaned the proceeds thereof to NorthShore University HealthSystem (formerly known as Evanston Hospital Corporation and herein the "*Corporation*") to assist the Corporation in providing the funds necessary to (i) advance refund the outstanding principal amount of the Health Authority's $31,000,000 Revenue Bonds, Series 1976 (Evanston Hospital Project) and (ii) pay related expenses.

On August 28, 1996, the Health Authority issued its $50,000,000 Variable Rate Adjustable Demand Revenue Bonds, Series 1996 (Evanston Hospital Corporation) (the "Series 1996 Bonds"), to (i) pay or reimburse the Corporation for the payment of the costs of the construction, renovation, remodeling and equipping of certain portions of the health facilities of the Corporation, (ii) pay a portion of the interest on the Series 1996 Bonds, (iii) provide working capital and (iv) pay related expenses incurred in connection with the issuance of the Series 1996 Bonds.

Both the Series 1995 and 1996 Bonds were issued in the Unit Pricing Period commercial paper mode without credit enhancement. The Bonds currently bear interest at a weekly rate.

The Corporation is currently replacing the standby bond purchase agreements ("SBPAs") which provide liquidity for bonds which are optionally or mandatorilly tendered and not remarketed. The banks providing the new SBPAs have requested that the documents be amended to add customary "book entry" language to each Indenture. (Book entry language was not generally in documents prepared in 1995/1996.)

REQUEST:

The Corporation has requested that the Authority approve the amendment of the Bond Indentures to provide for the issuance of beneficial interests in the Series 1995 Bonds and the Series 1996 Bonds through a book entry only system.

The Corporation is requesting approval to amend the Bond Trust Indentures and Loan Agreements as it is necessary in connection with this change.

RECOMMENDATION:
The Credit Review Committee recommends approval of the amendment of the Bond Trust Indentures and Loan Agreements.

OWNERSHIP / ECONOMIC DISCLOSURE STATEMENT

Applicant: NorthShore University HealthSystem (AA Rating) (f/k/a Evanston Northwestern Healthcare, f/k/a Evanston Hospital Corporation)
1301 Central Street
Evanston, IL 60201
Borrower: NorthShore University HealthSystem
Ownership/Board Members: 501(c)(3) Corporation:

Duckworth, Connie K.
Berger, Percy L.
Crown, A. Steven
Jones, Gregory D.
Keyser, Richard L.
Knight, Lester B., III
Medvin, Harvey N.
Reyes, Jude M.
Talamonti, Mark S., M.D., F.A.C.S.
Wang, Sona
White, William J.
Mencoff, Samuel M.
Bloomer, William D., M.D.
Davis, William L.
Keeler, Thomas C, M.D.
Khandekar, Janardan D., M.D.
Kraemer, Harry M. Jansen, Jr.
Neaman, Mark N.
Sentell, Susan B.
Thomas, J. Mikesell
Ward, Jonathan P.
Wrigley, William Jr.

PROFESSIONAL & FINANCIAL

Financial Advisor	: Melio & Company	Chicago	Mark Melio
Bond Counsel:	Jones Day	Chicago	Michael Mitchell
Trustee:	The Bank of New York Mellon	Chicago	Robert Hardy
Liquidity Providers:	JP Morgan Chase	Chicago	Tim Ruby
	Wells Fargo Bank, NA	Chicago	Phil Kaplan
Liq. Provider Counsel:	Foley & Lardner	Chicago	Laura Bilas
Issuer's Counsel:	Charity & Associates	Chicago	Alan Bell
Remarketing Agent:	JP Morgan Securities, Inc.	Chicago	Tim Wons

IFA Resolution Number 2010-09-__-__

Resolution authorizing the execution and delivery of a First Supplemental Bond Trust Indenture relating to the Variable Rate Adjustable Demand Revenue Bonds, Series 1996 issued for the benefit of NorthShore University HealthSystem (formerly known as Evanston Hospital Corporation).

WHEREAS, the Illinois Finance Authority (the "*Authority*") has been created by, and exists under, the Illinois Finance Authority Act (the "*Act*"); and

WHEREAS, the Authority succeeded to all the rights and obligations of the Illinois Health Facilities Authority (the "*Health Authority*") as of January 1, 2004; and

WHEREAS, on November 7, 1995, the Health Authority issued its $50,000,000 Variable Rate Adjustable Demand Revenue Bonds, Series 1995 (Evanston Hospital Corporation) (the "*Series 1995 Bonds*"), which are secured by an Amended and Restated Bond Trust Indenture dated as of November 1, 2009 (the "*Amended and Restated 2005 Bond Indenture*"), amending and restating a Bond Trust Indenture dated as of June 1, 1995, each between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor Bond Trustee (the "*1995 Bond Trustee*"), and loaned the proceeds thereof to NorthShore University HealthSystem (formerly known as Evanston Hospital Corporation and herein the "*Corporation*") to assist the Corporation in providing the funds necessary to (i) advance refund the outstanding principal amount of the Health Authority's $31,000,000 Revenue Bonds, Series 1976 (Evanston Hospital Project) and (ii) pay related expenses.; and

WHEREAS, on August 28, 1996, the Health Authority issued its $50,000,000 Variable Rate Adjustable Demand Revenue Bonds, Series 1996 (Evanston Hospital Corporation) (the "*Series 1996 Bonds*"), which are secured by an Amended and Restated Bond Trust Indenture dated as of November 1, 2009 (the "*Amended and Restated 2006 Bond Indenture*" and together with the Amended and Restated 2005 Bond Indenture, the "*Amended and Restated Bond Indentures*"), amending and restating a Bond Trust Indenture dated as of August 15, 1996, each between the Authority and The Bank of New York Mellon Trust Company, N.A., as successor Bond Trustee (the "*2006 Bond Trustee*"), and loaned the proceeds thereof to the Corporation to assist the Corporation in providing the funds necessary to (i) pay or reimburse the Corporation for the payment of the costs of the construction, renovation, remodeling and equipping of certain portions of the health facilities of the Corporation, (ii) pay a portion of the interest on the Series 1996 Bonds, (iii) provide working capital and (iv) pay related expenses incurred in connection with the issuance of the Series 1996 Bonds; and

WHEREAS, the Corporation has requested that the Authority approve the amendment of the Amended and Restated Bond Indentures to provide for the issuance of beneficial interests in the Series 1995 Bonds and the Series 1996 Bonds through a book entry only system; and

WHEREAS, a draft of a First Supplemental Bond Trust Indenture (the "*First Supplemental Indenture*") providing for such amendment has previously been provided to and is on file with the Authority.

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

1. **Authority Documents.** The Authority does hereby authorize and approve the execution by its Chairperson, Vice Chairperson, any of its other Members, Executive Director, Treasurer or any officer or employee designated by the Members (each an "*Authorized Officer*") and the delivery and use of a First Supplemental Indenture for each of the Series 1995 Bonds and the Series 1996 Bonds. The Secretary or Assistant Secretary of the Authority is hereby authorized to attest to the First Supplemental Indentures. The First Supplemental Indentures shall be substantially in the form attached hereto and hereby approved, or with such changes therein as shall be approved by the Authorized Officer of the Authority executing the same, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes or revisions therein from the form of the First Supplemental Indenture attached hereto.

2. Authorization and Ratification of Subsequent Acts. The Members, officers, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of this resolution and the First Supplemental Indentures, and all of the acts and doings of the Members, officers, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved. Unless otherwise provided therein, wherever in the First Supplemental Indentures or any other document executed pursuant hereto it is provided that an action shall be taken by the Authority, such action shall be taken by an Authorized Officer of the Authority, or in the event of the unavailability, inability or refusal of an Authorized Officer to act, any two Members of the Authority, each of whom is hereby authorized, empowered, and delegated the power and duty and directed to take such action on behalf of the Authority, all within the parameters set forth herein and in the First Supplemental Indentures.

ADOPTED this ____ day of September, 2010 by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

____

Secretary

IFA RESOLUTION NUMBER 2010-09-14-__

A RESOLUTION IN SUPPORT OF THE NON-PROFIT CLEAN COAL FUTUREGEN 2.0 PROJECT

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

WHEREAS, carbon capture and storage is a low-carbon technology that involves capturing the carbon dioxide from fossil fuel energy and hydrogen generating units and injecting it into secure geological strata for permanent storage; and

WHEREAS, the FutureGen 2.0 Project (the "Project") is a public-private partnership between the U.S. Department of Energy ("US DOE") and the non-profit FutureGen Alliance (the "Alliance") that proposes to use this new technology as part of a plan to repower an existing, underutilized coal plant and develop, construct, own and operate a pipeline and injection site in central Illinois for the first regional carbon storage facility in the United States; and

WHEREAS, the American Recovery and Reinvestment Act ("ARRA") appropriated more than $1 billion in funding for advancing clean coal technologies and the associated jobs, which US DOE has designated for the non-profit FutureGen 2.0 Project; and

WHEREAS, the non-profit FutureGen 2.0 Project, once constructed, will involve capture of carbon dioxide at a 90% level via large-scale sequestration in a deep saline geological formation, and will serve as a non-profit laboratory and test facility for understanding carbon dioxide storage and for advanced energy technologies; and

WHEREAS, the non-profit FutureGen 2.0 Project is expected to help ensure the long-term viability of Illinois Basin coal as a major energy source in the State and throughout the nation and represents a significant step in the State's efforts to become a self-sufficient, clean energy producer; and

WHEREAS, the non-profit FutureGen 2.0 Project is an important coal development and conversion project that will create jobs in the State of Illinois during the construction and operational phases, contribute to the overall economy of the State of Illinois and help reinvigorate the Illinois Basin coal industry; and

WHEREAS, the State of Illinois, having previously offered to support the financing of the FutureGen Project and by extension the non-profit FutureGen 2.0 Project in its bid to host the Project, and

WHEREAS, to date, no bonds have been issued in support of the Project;

NOW, THEREFORE, BE IT RESOLVED by the Illinois Finance Authority on this 14th day of September 2010 that the Authority expresses its support for the non-profit FutureGen 2.0 Project as an important non-profit Project that will help demonstrate an environmentallypreferred way to use coal to generate power and therefore help guarantee the long-term viability of Illinois Basin coal by demonstrating that it can be used to generate power with near zero carbon emissions;

BE IT FURTHER RESOLVED that the Illinois Finance Authority further expresses its readiness and willingness to work with US DOE and the Alliance, within its existing statutory authority and subject to the Illinois Finance Authority's financial requirements including meeting certain credit standards and policies of the Authority, to seek the use of its Clean Coal, Coal, Energy Efficiency, and Renewable Energy Project Financing Program, and other appropriate programs, to issue bonds in support of financing the non-profit FutureGen 2.0 Project;

BE IT FURTHER RESOLVED that the Illinois Finance Authority encourages US DOE and the Alliance to work with the Executive Director of the Authority, and its staff, to submit appropriate bond applications for financing the Project for the consideration of the Authority;

BE IT FURTHER RESOLVED that the Chairman or Executive Director is authorized and directed to do any and all things necessary or desirable to carry out the intention of the parties expressed herein;

BE IT FURTHER RESOLVED that the Authority encourages the Illinois Governor's Office and the Illinois General Assembly to continue working with US DOE, the Alliance, and the Authority to develop a services agreement for the transport, injection and storage of carbon dioxide originating from coal-fired power plants that offers rates and terms that are sufficient to provide adequate credit support for project bonding.

Approved this 14th day of September, 2010 by roll call vote as follows:

AYES:
NAYS:
ABSTAIN:
ABSENT:

ILLINOIS FINANCE AUTHORITY

____
Chairman

ATTEST:

____
Secretary

IFA RESOLUTION NUMBER 2010-09-14-__

DELEGATION OF SIGNATORY AUTHORITY TO CERTAIN OFFICERS

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

WHEREAS, the Act, administrative rules, certain resolutions, certain agreements and the By-Laws of the Authority either authorize or delegate to the Executive Director or other persons designated by the Members of the Authority, among other things, the power to approve immaterial deviations from established Authority policy and to execute agreements, documents, bonds, notes, checks, drafts, and other instruments on behalf of the Authority with the intent that the Authority be bound by each (individually and collectively, the "Document Execution Authorization"); and

WHEREAS, Sections 801-15 and 801-30 of the Act provide the Authority with broad powers to engage the services of employees and agents and to prescribe the duties of these employees and agents in order to carry out the purposes of the Act; and

WHEREAS, the Members of the Authority collectively desire that the Authority continue to operate in an effective, efficient, and professional manner; and

WHEREAS, the Authority deems it proper to delegate to each person holding, from time to time, the office of Executive Director, the office of Chief Financial Officer, the office of Treasurer and the office of General Counsel of the Authority Document Execution Authorization and to assign each of them additional duties as authorized by the Act, administrative rules, certain resolutions, certain agreements and the By-Laws of the Authority; and

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

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

Section 2. Delegation of Authority. The Authority hereby authorizes and delegates to the Executive Director, the Chief Financial Officer, the Treasurer and the General Counsel of the Authority (each an "Authorized Signatory" and collectively, the "Authorized Signatories"), Document Execution Authorization, and pursuant to this delegation, the Authorized Officers may, individually, approve immaterial deviations from established Authority policy and execute all agreements, documents, bonds, notes, checks, drafts, and other instruments that the Executive Director is authorized to execute pursuant to the Act, the administrative rules, or the By-Laws of the Authority, or any Authority resolution, agreement, document or other instrument and with the intent that the Authority be bound by each. As has been the practice of the Authority, material deviations from established Authority policy will continue to be decided by the Members of the Authority. In the absence of any Authorized Signatory, any person specifically delegated in writing by an Authorized Signatory may act in the stead of the Authorized Signatory for the time or purpose contained in such written delegation.

Section 3. Enactment and Severability. This Resolution shall take effect immediately upon adoption. If any section, paragraph or provision of this Resolution shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Approved and effective this 14th day of September 2010, as follows by roll call vote:

Ayes:

Nays:

Abstain:

Absent:

Vacancies:

ILLINOIS FINANCE AUTHORITY

____
Chairman

ATTEST:

____
Secretary