

2010 ANNUAL REPORT





LETTER FROM THE CHAIRMAN — MICHAEL J. ESSER

It gives me great pleasure to present the 2010 Hawthorn Foundation Annual Report. We continue to provide the traditional underwriting support for trade missions, but we have greatly increased our membership as well as the activity and return on investment in our assistance to economic development work of the Governor and the Department of Economic Development. It is very satisfying to read about the results of our 2010 investments in Hawthorn:

Increased membership

At the open of 2010 our membership was 41 investors. One year later we have grown to be able to serve the state of Missouri with 77 investors; and we enjoy a steady stream of interest in the organization.

New jobs and employers resulting from activities of the Missouri Partnership

The Hawthorn Foundation is the corporate parent organization for the Missouri Partnership; the marketing and recruitment firm for the State. In 2010 the Missouri Partnership provided an excellent return on our investment — in a difficult economy! — with 14 new business recruitment projects resulting in the creation of 2,273 new jobs and \$113 million in new annual payroll and \$86 million in new investment!

A soon to be released Strategic Economic Initiative aligning the factors of growth in our state

Due to your bold investment, the Hawthorn Foundation accepted the challenge to underwrite the Strategic Plan for Economic Development. Department of Economic Development Director David Kerr has actively engaged Missouri leaders in Business, Civic affairs and Labor in a discussion to formulate a plan reflecting the true opportunities and needs of the private sector. Hawthorn investors will be among the first to learn the details of this plan at the April Foundation meeting in St. Louis.

I think you will agree with me that the Hawthorn Foundation has dramatically increased the activity and value to Missouri in 2010. I am proud to serve as your chairman. Thank you for your support of the Foundation.

Respectfully,

A handwritten signature in cursive script that reads "Mike Esser".

Michael J. Esser





Chairman:
Michael J. Esser

Chair-Elect:
William Dunn, Jr.

Treasurer:
Scott Zajac

Secretary:
Tracy Foster

MEMBERSHIP FOR 2010 CHAIR: MARILYN BUSH

The membership committee has enjoyed a prosperous year of growth. We have strategically built our mix of members who provide diverse perspectives on key elements that drive economic development in the State of Missouri. Our committee meets bi-weekly to identify and cultivate new investors. The mission of Hawthorn coupled by our development focus is best demonstrated by the increase in our new investors from 41 to 77 at year-end 2010. The list of Hawthorn Board members who have so generously dedicated their time include Bill Dunn, Jr., Tracy Foster, Marie Carmichael, Jim Curran, Mike Esser, Gib Garrow and David Kerr. I would like to extend a very sincere thank you to all committee members. It's been a pleasure to lead the membership effort in 2010 and I look forward to another great year in 2011.

Sincerely,

A handwritten signature in black ink, appearing to read "Marilyn Bush".

Marilyn Bush



EXECUTIVE DIRECTOR REPORT: ELIZABETH BAX

Thank you for the privilege of serving as your Executive Director. I have really enjoyed getting to know you over 2010. The three overriding objectives for 2010 have included: restructure and clarification of all elements of the organization to increase the ease with which we can understand our objectives as well as the process by which we can achieve the same. Facilitating an increase in membership has been a very high priority. Many thanks to all of you for your membership suggestions as well as the time you have been willing to commit in face to face discussions with prospective members. Finally, we have all worked very hard to add value to our quarterly meetings. The knowledge to be gained on critical issues facing the state and the perspectives and assistance to be gained from the incredible diversity of our membership is the value to everyone which is completely unique to this organization.

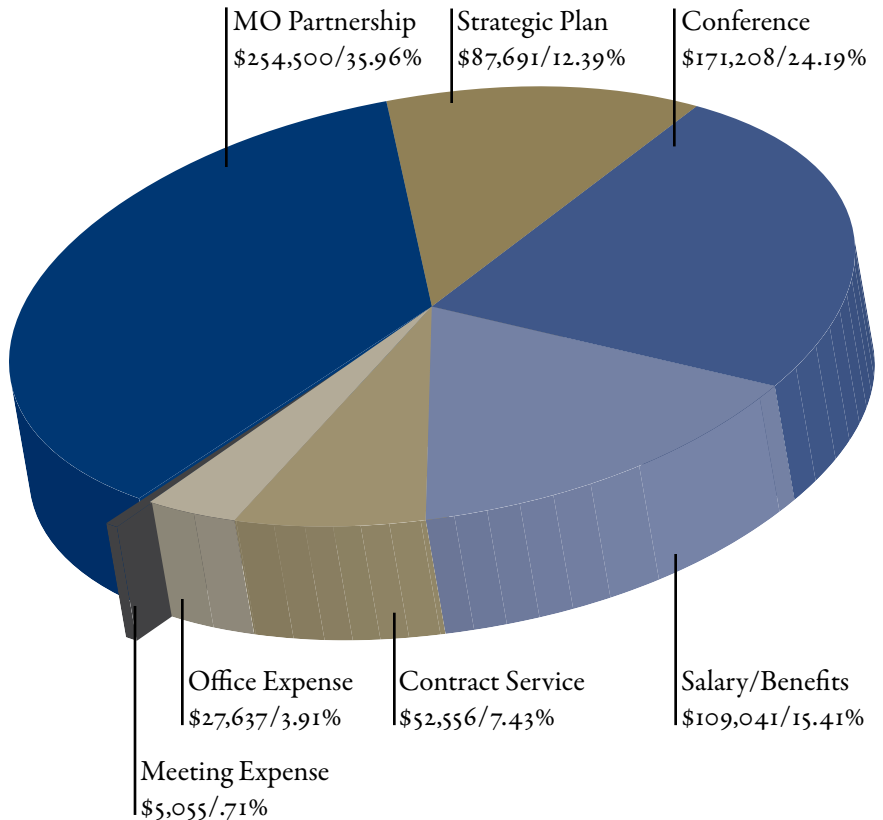
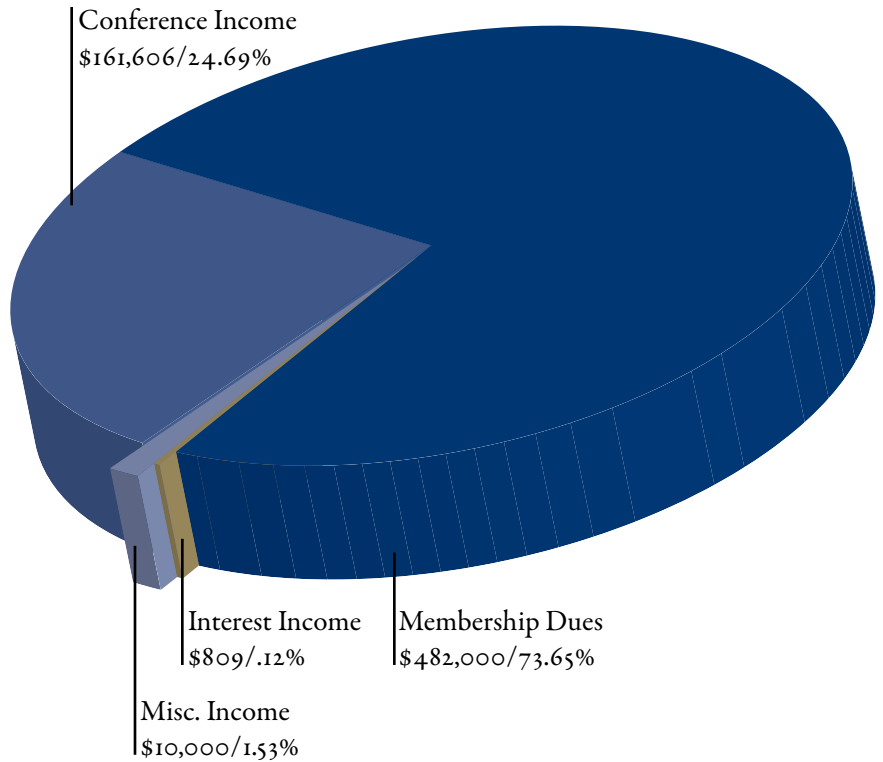
As always, please do not hesitate to provide me with comments or suggestions relating the better function of the Hawthorn. Foundation. I am happy to be here to serve you and to provide you with the highest possible return on your investment.



Sources and Uses of Funds

The primary work of the hawthorn foundation is to provide significant financial support for the economic development work of the governor and department of economic development. As has been true of the last two years, the largest percentage of funds raised go to support the work of the missouri partnership. In 2010, hawthorn was asked to underwrite the cost of the new strategic plan for economic development. This estimated cost of \$250,000 is spread out over two hawthorn fiscal years.

The objective in our investment for 2010 has been to increase our return; ultimately providing more funding to the missouri partnership and increased resources to support the governors trade missions to increase investment in missouri.



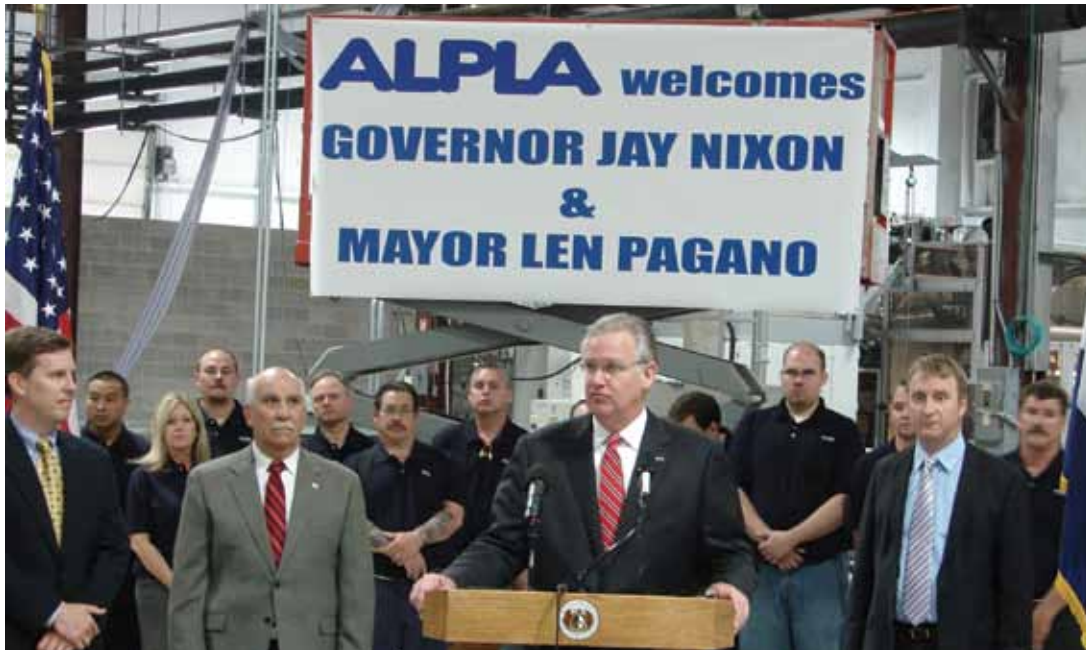
MISSOURI PARTNERSHIP UPDATE

CHRISTOPHER CHUNG, CEO

For the year, the Missouri Partnership directly managed or supported 14 business recruitment success in the state, including such project announcements as IBM (Columbia), Unisys (St. Louis), and Alpla (St. Peters). These projects resulted in the planned creation of 2,273 new jobs, \$113 million in new annual payroll, and more than \$86 million in new capital investment.

Heading into 2011, the Partnership is managing a pipeline of 84 active projects considering Missouri for new investment. The potential economic impact of the pipeline, counting all projects, is up to 22,000 new jobs and \$4.8 billion in new capital investment.

Additionally, in 2011, the Partnership plans to continue an aggressive marketing and promotion campaign to raise Missouri's profile as a business location, with the goal of getting Missouri considered for more business recruitment and relocation opportunities.





Board of Governors

John Raines	Monsanto
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Hawthorn Foundation Board of Directors

Mike Esser, Chairman	Edward Jones
Bill Dunn, Jr., Chair-Elect	JE Dunn Construction
Tracy Foster, Secretary	Hallmark Cards, Inc.
Scott Zajac, Treasurer	Advantage Capital Partners
Randall G. Allen	Missouri Economic Development Council Jefferson City Area Chamber of Commerce
Marilyn Bush	Bank of America
Jeff Bloemker	Cerner Corporation
Oliver Buybieck	LaFarge, N.A.
Marie Carmichael	Missouri Development Finance Board
Robert Clark	Clayco
Bryan Cook	St. Louis Regional Business Council
Max Cook	Missouri Bankers Association
Ron Coker	Burns and McDonnell
Jack Craft	Lathrop and Gage
Jim Curran	Electrical Connection/IBEW #1/NECA
Frank Davis	Noranda Aluminum
Jim Donahue	Deffenbaugh Industries
Rudy Farber	Community Bank and Trust of Neosho
Gib Garrow	Neosho Chamber of Commerce
James Grice	Spencer Fane Britt & Browne
Barry Hart	Associated Electric
Stacy Hastie	Environmental Operations
Byron Hill	ABC Labs
Ben Jones	Union Pacific
Greg Kindle	Kansas City Power and Light
Clyde Lear	Learfield Communications
Ken Lueckeonotte	RMI
John McClain	Exergonix
R. Dennis McClelland	Missouri Association of Realtors
Tom McDonnell	DST Systems
Daniel Mehan	Missouri Chamber of Commerce
James Mello	Armstrong Teasdale



Michael F. Nichols	University of Missouri System
David Norton	Express Scripts
Rob O Brian	Joplin Area Chamber of Commerce
David Queen	Gilmore & Bell
Tony Reinhart	Ford
Rodger Riney	Scottrade Inc.
Robert Robuck	Central Bank
Ellen Sherberg	St.Louis Business Journal
Duane Simpson	Monsanto
John Sondag	ATT Missouri
Michelle Sweeney	Ingrams
Ray Wagner	Enterprise
John Wanamaker	BKD
Warren Wood	Ameren

Ex Officio (voting)	
Randall G. Allen	Missouri Economic Development Council
James B. Anderson	Springfield Chamber of Commerce
Jim Fleming	St. Louis RCGA
Jim Heeter	Kansas City Area Chamber of Commerce
David Kerr	Missouri Department of Economic Development



Friends of the Hawthorn Foundation

Ann Auer	Missouri Growth Association
Dr. James Baker	Missouri State University
Rosana Privitera-Biondo	Mark One Electric
J. Michael Brooks	Columbia REDI
Denny Coleman	St. Louis County Economic Council
Steve Erdel	Boone County National Bank
Greg Gaffke	CenturyLink
Karla Goldstein	Danforth Plant Sciences Center
Karen Grim	St. Charles County
Gordon Ipson	Northeast Missouri Electric Power Cooperative
Tony Kreutz	SCI Engineering
Cydra Lorey	Rolla Regional Economic Commission
John Mehner	Cape Girardeau Area Chamber of Commerce
William McCoy	Xaxax Analytics NP
Chris McKee	Optimus Development
Duane Michie	First State Bank and Trust of Caruthersville
Mike Palmer	Empire District Electric
Jewell Patek	Patek and Associates
Ora Reynolds	Hunt Midwest
Myles Smith	Ozark Heritage Region
Dean Thompson	City Utilities of Springfield
Roger Walker	Missouri Energy Initiative



For more information, contact:

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Executive Director

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