

MINUTES OF A SPECIAL MEETING 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 special meeting at 10:30 a.m., on January 5, 2004 in the Lincoln Conference Room at the Sears Tower Conference Center, 233 South Wacker Drive, 33rd Floor, in the City of Chicago, Illinois.

MEMBERS PRESENT:

David Gustman
Joseph Alford
Michael Goetz
Edward Leonard
Talat Othman
Timothy Ozark
Andrew Rice
Joseph Valenti

MEMBERS ABSENT:

Jill Rendleman York

INVITED GUESTS:

Lewis Greenbaum – Katten Muchin Zavis Rosenman
William Morris – Kirkpatrick Pettis
Michael Lurie – Governor's Office of Management and Budget

GENERAL BUSINESS ITEMS

Item 1 – Call to Order

Chairman Gustman called the meeting to order at approximately 10:35, with the above members present.

Item 2 – Roll Call

Chairman Gustman asked the Acting Secretary, Mr. Michael Pisarcik, to call the roll. Having eight members present, Chairman Gustman declared a quorum.

Item 3 – Communications

Chairman Gustman reviewed communications from the Governor's Office, including the recommendation of Mr. Ali D. Ata and Mr. Michael Horst as candidates for the Executive Director position.

Item 4 – Transition Report

Chairman Gustman asked Mr. William Morris of Kirkpatrick Pettis and Michael Lurie of the Governor's Office of Management and Budget to provide an overview

of their actions over the last several months. Mr. Morris also informed the Board of the remaining pending transactions assumed from the previous Authority's.

Item 5 – New Business

Resolution Adopting the By-Laws (Resolution 2004-1)

A motion was made by Mr. Goetz and seconded by Mr. Leonard, to adopt the By-Laws of the Illinois Finance Authority. There being no comments or questions, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

Resolution Establishing the Regular Meeting Schedule (Resolution 2004-2)

A motion was made by Mr. Othman and seconded by Mr. Goetz to establish a regular meeting schedule through June 2004. Chairman Gustman opened the floor for discussion regarding the meeting dates. In order to accommodate the conflicting schedule of various Board members, the meetings were moved to the third Tuesday of each month at 2 P.M., except for the January meeting which would be held on January 23, 2004.

Chairman Gustman requested a roll call vote for the resolution as amended. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

Resolution Adopting an Interim Budget (Resolution 2004-3)

A motion was made by Mr. Goetz and seconded by Mr. Rice to approve the interim budget. There being no comments or questions, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

Resolution Appointing the Executive Director (Resolution 2004-4)

Chairman Gustman reported that Governor Blagojevich had nominated two candidates, Mr. Ali D. Ata and Mr. Michael Horst, for the position of Executive Director.

A motion was made by Mr. Goetz and seconded by Mr. Leonard to appoint Mr. Ali Ata as Executive Director. Chairman Gustman commented on the exceptional quality of Mr. Ata as a candidate. There being no further discussion or questions, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

Resolution Appointing the Treasurer (Resolution 2004-5)

A motion was made by Mr. Rice and seconded by Mr. Alford nominating Mr. Michael Pisarcik as Treasurer. There being no comments or question, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

Resolution Appointing the Secretary (Resolution 2004-6)

A motion was made by Mr. Rice and seconded by Mr. Alford nominating Mr. Michael Pisarcik as Secretary. There being no comments or questions, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

Resolution Concerning the Administration of Debt Issues

(Resolution 2004-7) A motion was made by Mr. Goetz and seconded by Mr. Ozark to adopt the resolution concerning the administration of debt issues. There being no comments or questions, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

Resolution Adopting a Severance Compensation Policy (Resolution 2004-8)

A motion was made by Mr. Goetz and seconded by Mr. Othman to adopt the severance compensation policy. There being no comments or questions, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

Resolution of Appointing Consultants (Resolution 2004-9)

This resolution appoints the following as outside consultants to the IFA through June 2004:

- Katten Muchin Zavis Rosenman – General Counsel
- Kirkpatrick Pettis – Investment Banking
- Joint Venture of Velma Butler & Company, and Washington Pittman & McKeever – Accountants

A motion was made by Mr. Goetz and seconded by Mr. Valenti to adopt the resolution. There being no comments or questions, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions.

Item 6 – Member Comments

Chairman Gustman opened the floor for any comments by any members of the Board. There being no comments, the meeting proceeded.

Item 7 – Executive Director Comments

Executive Director Ata expressed his appreciation for his selection as the Executive Director. He also thanked the Board for their time and looks forward to working with the Board to fulfill the Governor's economic development agenda.

Item 8 – Public Comments

Chairman Gustman opened the floor for any comments by any members of the public. There being no comments, the meeting proceeded.

Item 9 – Motion to reconsider the Regular Meeting Schedule

Due to several conflicts that members had with the January 20th Board meeting, the meeting was moved to January 23, 2004 at 2 P.M. A motion was made by Mr. Valenti and seconded by Mr. Alford. There being no further comments, Chairman Gustman requested a roll call vote. The motion to reconsider was approved with 8 ayes, 0 nays, and 0 abstentions. **(Resolution 2004-2-A).**

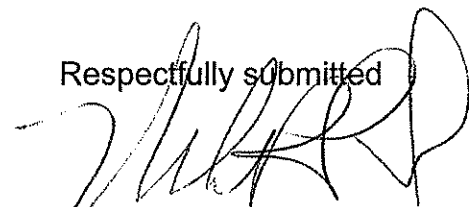
Item 10 – Resolution Amending the Regular Meeting Schedule

The motion to amend the Regular Meeting Schedule reflecting the changes in Item 9 was made by Mr. Valenti and seconded by Mr. Goetz. There being no further comments, Chairman Gustman requested a roll call vote. The motion was approved with 8 ayes, 0 nays, and 0 abstentions. **(Resolution 2004-2-B).**

Chairman Gustman inquired about any other comments or questions. Mr. Leonard inquired about the indemnification of the Board in the By-laws. Mr. Greenbaum responded that the liability of the Board is minimal, but the Board should consider Director and Officer Insurance. Chairman Gustman commented that IDFA's policy carried forward to the IFA.

There being no further business, Chairman Gustman adjourned the meeting at approximately 10:56 a.m.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'Michael R. Pisarcik', written over a faint circular stamp.

Michael R. Pisarcik, Secretary