

**MINUTES OF THE FEBRUARY 12, 2008 MEETING 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 Board Meeting at 11:30 a.m., on February 12, 2008 at the Mid America Club, 200 E. Randolph Street, 80<sup>th</sup> floor, Chicago, Illinois:

**Members present:**

William A. Brandt, Jr., Chair  
Michael W. Goetz, Vice Chair  
Dr. William J. Barclay  
Terrence M. O'Brien  
Andrew W. Rice  
Juan B. Rivera  
Lynn F. Talbott  
April D. Verrett  
Bradley A. Zeller

**Members absent:**

Magda M. Boyles  
Ronald E. DeNard  
James J. Fuentes  
Dr. Roger D. Herrin  
Joseph P. Valenti

**Vacancies:**

None

**Members participating by telephone:**

Edward H. Leonard, Sr.

**GENERAL BUSINESS**

**Call to Order, Establishment of Quorum and Roll Call**

Chairman Brandt called the meeting to order at 11:40 a.m. with the above members present. Chairman Brandt welcomed members of the Board and all guests and asked Secretary, Carla Burgess Jones to call the roll. There being nine (9) members physically present, and one (1) member on the telephone Ms. Burgess Jones declared a quorum present.

**Chairman's Report**

Chairman Brandt thanked fellow board members and guests for coming. Chairman Brandt then asked Director Hubbard to give the Director's Report.

**Executive Director's Report**

Director Hubbard welcomed and thanked all guests for coming.

**Acceptance of Financial Statements**

Financial statements for the period ending January 31, 2008 were presented to and accepted by the Board. Chairman Brandt stated that the Authority's financial statements were reviewed at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt asked for a motion to approve the financials. Motion was moved by Ms. Talbott and seconded by Mr. Rice. Secretary, Carla Burgess Jones, took a roll call vote for approval of the financials. The financials were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

## **Minutes**

Chairman Brandt announced that the next order of business was to approve the minutes of the January 15, 2008 Meeting of the Board. Chairman Brandt announced that the January 15, 2008 minutes were approved at the regularly scheduled Committee of the Whole Meeting held today at 8:30 a.m. Chairman Brandt requested a motion to approve the minutes. Motion was moved by Mr. O'Brien and seconded by Dr. Barclay. Secretary, Carla Burgess Jones, took a roll call vote for approval of the minutes. The minutes were approved by a roll call vote with 10 ayes, 0 nays, and 0 abstentions.

## **Projects**

Chairman Brandt asked Executive Director Hubbard to present the projects for consideration to the Board. Director Hubbard presented agricultural projects in a total approximate amount of \$11,065,000.00 to the Board for approval. Project 2 includes four (4) individual Beginning Farmer projects:

- No. 1:**            **A-AI-TX-GT-7255 – Kaeb Brothers Farms**  
Request for final approval of the issuance of an Agri-Industry Guarantee in an amount not-to-exceed \$148,750 to provide permanent financing for the purchase of a Rotochopper wood grinder. This project is located in McLean, Illinois. **(08-02-01)**.

Chairman Brandt asked if the Board had any questions with respect to Project no. 2. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 1. Leave was granted. Project no. 1 received final approval with 10 ayes, 0 nays, and 0 abstentions.

- No. 2:**            **A-FB-TE-CD-8004 – Michael Graham**  
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$50,000 to provide permanent financing to purchase approximately 49 acres of farmland. This project is located in Springerton, Illinois. **(08-02-02)**.

**A-FB-TE-CD-8005 – Bradley & Abbi Bush**  
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$95,000 to provide permanent financing to purchase approximately 25 acres of farmland. This project is located in Morrison, Illinois. **(08-02-02)**.

**A-FB-TE-CD-8006 – Douglas Franzen**  
Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$222,750 to provide permanent financing to purchase approximately 45 acres of farmland. This project is located in Farmer City, Illinois. **(08-02-02)**.

**A-FB-TE-CD-8007 – Jayson Entwistle**

Request for approval of the issuance of a Beginning Farmer Bond in an amount not-to-exceed \$250,000 to provide permanent financing to purchase approximately 76 acres of farmland. This project is located in Sherman, Illinois. (08-02-02).

No guests attended with respect to Project no. 2. Chairman Brandt asked if the Board had any questions with respect to the Beginning Farmer Bonds presented. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no.2 which includes four (4) individual Beginning Farmer Bonds. Leave was granted. Project no. 2 which includes four (4) individual Beginning Farmer Bonds received final approval with 10 ayes, 0 nays, and 0 abstentions.

**No. 3: H-HO-CD-TE-8013 – Alexian Brothers Health System**

Request for preliminary approval of the issuance of 501(c) 3 Bonds in an amount not-to-exceed \$55 million to pay or reimburse the costs of acquiring, constructing, renovating, remodeling and equipping certain health care facilities, pay a portion of the interest on Series 2008 Bonds, fund a debt service reserve fund for Series 2008 Bonds, fund working capital and pay certain expenses incurred in connection with the issuance of Series 2008 Bonds. This project is expected to create approximately 20 new jobs and 1,000 jobs. This project is located in Elk Grove Village and Hoffman Estates, Illinois. (08-02-03).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Ms. Lenane, IFA Vice President, introduced Jim Sances, CFO, Alexian Brothers. Mr. Sances gave a brief presentation and thanked the Board and the IFA for their consideration. Chairman Brandt then asked if the Board had any questions with respect to Project no. 3. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 3. Leave was granted. Project No. 3 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

**No. 4: N-NP-TE-CD-8014 – Armitage Commons Preservation, NFP**

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$5 million to refinance an existing first mortgage on affordable senior multi-family housing complexes, capitalize a tax and insurance escrow and pay certain legal, professional and other closing costs. This project is located in Chicago, Illinois. (08-02-04).

No guests attended with respect to Project no. 4. Chairman Brandt asked if the Board had any questions with respect to Project no. 4. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 4. Leave was granted. Project No. 4 received preliminary approval with 10 ayes, 0 nays and 0 abstentions.

**No. 5: N-NP-TE-CD-8009 – O’Fallon Preservation, NFP**

Request for preliminary approval of the issuance of 501(c)3 Bonds in an amount not-to-exceed \$3 million to refinance a first mortgage on affordable senior multi-family housing complexes, and pay certain legal, professional and other closing costs. This project is expected to create 5 construction jobs. This project is located in O’Fallon, Illinois. (08-02-05).

No guests attended with respect to Project no. 5. Chairman Brandt asked if the Board had any questions with respect to Project no. 5. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 5. Leave was granted. Project No. 5 received preliminary approval with 10 ayes, 0 nays and 0 abstentions. (08-02-05).

**No. 6: N-NP-TE-CD-8003 – Center on Deafness**

Request for preliminary approval of 501(c) 3 Bonds in an amount not-to-exceed \$1,825,000 to refinance outstanding mortgage debt at a lower cost. This project is located in Northbrook, Illinois. (08-02-06).

No guests attended with respect to Project no. 6. Chairman Brandt asked if the Board had any questions with respect to Project no. 6. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 6. Leave was granted. Project no. 6 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

**No. 7: L-GP-MO-8010 – City of Colchester**

Request for preliminary approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$325,000 to be used towards the City’s sewer system improvements. This project is located in Colchester, Illinois. (08-02-07).

No guests attended with respect to Project no. 7. Chairman Brandt asked if the Board had any questions with respect to Project no. 7. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 7. Leave was granted. Project no. 7 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

**No. 8: L-GP-MO-8011 – Village of Farmersville**

Request for preliminary approval of the issuance of Local Government Pooled Bonds in an amount not-to-exceed \$365,000 to be used towards the construction of a Village water storage tank. This project is located in Farmersville, Illinois. (08-02-08).

No guests attended with respect to Project no. 8. Chairman Brandt asked if the Board had any questions with respect to Project no. 8. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 8. Leave was granted. Project no. 8 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

**No. 9: L-GP-7041 – Village of Kane**

Request for final approval of the issuance of Local Government Bonds in an amount not-to-exceed \$550,000 to provide financing for the Village's water system updates. This project is located in Green County, Illinois. (08-02-09).

No guests attended with respect to Project no. 9. Chairman Brandt asked if the Board had any questions with respect to Project no. 9. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 9. Leave was granted. Project no. 9 received final approval with 10 ayes, 0 nays, and 0 abstentions.

**No.10: B-LL-TX-8001 – C&D Recycling LLC**

Request for final approval of the issuance of a Participation Loan in an amount not-to-exceed \$215,000 to provide financing for the purchase of equipment for the facility located in Northbrook, Illinois. This project is expected to create 10 new jobs and 7 construction jobs. This project is located in Northbrook, Illinois. (08-02-10).

No guests attended with respect to Project no. 10. Chairman Brandt asked if the Board had any questions with respect to Project no. 10. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 10. Leave was granted. Project no. 10 received final approval with 10 ayes, 0 nays, and 0 abstentions.

**No.11: I-ID-7258 – DD Leasing, LLC**

Request for preliminary approval of the issuance of an Industrial Revenue Bonds in an amount not-to-exceed \$3.5 million to provide permanent financing for the acquisition and installation of an asphalt plant and two cold milling machines and to pay for professional and legal services. Issuance of Bonds is subject to an allocation of sufficient Volume Cap. The Borrower has approached the Village of Bartlett for an allocation as part of its 2008 Volume Cap (estimated at \$3,120,010 based on its population of 36,706 according to the 2000 U.S. Census). The Village is also evaluating a request for Volume Cap for another project. A decision on the availability of local Cap is expected prior to IFA's allocation of Volume Cap for this project. This project is expected to create 30 construction jobs. This project is located in Franklin Park and Bartlett, Illinois. (08-02-11).

No guests attended with respect to Project no. 11. Chairman Brandt asked if the Board had any questions with respect to Project no. 11. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project no. 11. Leave was granted. Project no. 11 received final approval with 10 ayes, 0 nays, and 0 abstentions.

**No.12: I-ID-TE-CD-8008 – Overton Gear & Tool Corporation**

Request for preliminary approval of the issuance of Industrial Revenue Bonds in an amount not-to-exceed \$7 million to provide permanent financing for the acquisition of equipment to modernize and expand Overton Gear's production capacity. Issuance of the Bonds would require an allocation of approximately \$6.8 million of Volume Cap. Both Overton and another prospective, Addison IRB project, are negotiating with the Village of Addison to transfer the Village's

entire 2008 allocation (i.e., \$3,147,975) to IFA for these projects. Accordingly, this project will need from approximately \$3.7 million to \$5.3 million of 2008 Volume Cap from the Governor's Office (amount will depend on whether Addison requests its allocation to be spread over one or two projects). This project is expected to create 20 new jobs. This project is located in Addison, Illinois. (08-02-12).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Frampton, IFA Vice President, introduced Pete LaMontagna, VP, Finance. Mr. LaMontagna gave a brief presentation and thanked the Board and the IFA for their consideration. Chairman Brandt then asked if the Board had any questions with respect to Project no. 12. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 12. Leave was granted. Project No. 12 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

**No.13: E-PC-TE-CD-8002 – The University of Chicago**

Request for final approval of the issuance of 501(c)3 Revenue Refunding Bonds in an amount not-to-exceed \$125 million. Proceeds of the IFA Series 2008 Bonds will current refund 100% of the outstanding principal amount of the IFA Series 1998A Bonds. Interest rates on the Series 1998A Bonds range from 5.00% to 5.25%. This project is located in Chicago, Illinois. (08-02-13).

Chairman Brandt asked if there were any guests attending the meeting with respect to this project. Mr. Frampton, IFA Vice President, introduced John Kroll, Comptroller, University of Chicago. Mr. Kroll gave a brief presentation and thanked the Board and the IFA for their consideration. Chairman Brandt then asked if the Board had any questions with respect to Project no. 13. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Project No. 13. Leave was granted. Project No. 13 received preliminary approval with 10 ayes, 0 nays, and 0 abstentions.

**Resolutions/Amendatory Resolutions**

**No.14: OSF Healthcare Systems.** Resolution authorizing the execution and delivery of an amended and restated bond trust indenture and loan agreement relating to the Authority's Series 2001 Bonds, the Series 2005 A & B Bonds and the Series 2007 C & D Bonds ( OSF Healthcare System) to permit the addition of a letter of credit to supplement the Radian Assurance bond insurance policy and to convert the Series 2005 A & B Bonds and the Series 2007 C & D Bonds to a weekly /daily rate..

**No. 15: IFA Merit Plan.** Resolution adopting merit compensation plan for employees of the Illinois Finance Authority.

Chairman Brandt asked if the Board had any questions with respect to the Resolutions. There being none, Chairman Brandt requested leave to apply the last unanimous vote in favor of Resolution nos. 14 and 15. Leave was granted. Resolution nos. 14 and 15 were approved with 10 ayes, 0 nays, and 0 abstentions.

---

Chairman Brandt asked if there was any other business to come before the Board. Representatives of the Sierra Club, Verena Owen and Becki Clayborn, asked to address the Board regarding the Prairie State project. The Board granted their request and the Sierra Club representatives were allowed to voice their concerns regarding the Prairie State project. Upon a motion by Dr. Barclay and seconded by Mr. Rivera, the meeting adjourned at approximately 12:14 p.m.

Respectfully Submitted,

Carla B. Burgess Jones, Secretary