

MINUTES OF THE REGULARLY SCHEDULED 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 its regularly scheduled meeting at 1:30 p.m., on April 12, 2005 in the Plaza Club at 130 E. Randolph, 40th Floor, in Chicago, Illinois.

MEMBERS PRESENT:

Natalia Delgado (*arrived 1:40*)
James Fuentes
Demetris Giannoulis
David Gustman
Martin Nesbitt
Terrence O'Brien
Timothy Ozark
Andrew Rice
Joseph Valenti
Bradley Zeller

MEMBERS ABSENT:

Michael Goetz
Dr. Roger Herrin
Edward Leonard

GENERAL BUSINESS ITEMS

Call to Order

Chairman Gustman called the meeting to order at approximately 1:32, with the above members present.

Roll Call

Chairman Gustman asked Secretary Pisarcik to call the roll. There being nine Members present, a quorum was declared.

Chairman's Report

On behalf of the Members, Chairman Gustman welcomed Mr. James Fuentes to the Board. The Chairman then gave an overview of the financial performance of the Authority thru March 31, 2005.

Natalia Delgado arrives and is added to the roll.

Director's Report

Director Rendleman gave an overview of the reorganization of the sales lines, which is intended to better reflect the various market segments in which the Authority participates.

Acceptance of March 2005 Financial Statements

Chairman Gustman asked the Members if there were any questions/comments regarding the financial statements. There being none, the Financials were accepted.

Acceptance of March 2005 Minutes

Upon a motion by Mr. Valenti and seconded by Mr. Rice, Chairman Gustman requested a roll call vote. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-02).

Initial Project Considerations

Item-03 H-HO-TE-CD-555: Norwegian American Hospital

Norwegian American Hospital, located in **Chicago**, is seeking preliminary approval of not-to-exceed **\$8 million** in conduit, 501(c)(3) revenue bonds to refinance its 1985 IHFA bond issuance and to fund the purchase of equipment and the construction and renovation of several capital projects, including its psychiatric and detoxification units.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-03).

Item-04 E-PS-TE-CD-538: Lake Forest Contry Day School

Lake Forest Country Day School, located in **Lake Forest**, is seeking preliminary approval of not-to-exceed **\$23 million** in 501(c)(3), conduit revenue bonds to expand its campus through the purchase of land, construction of two new student learning facilities, renovation of existing facilities, and purchase of furniture, fixtures and equipment. This project is expected to create **5 new jobs** and **250 construction jobs**.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-04).

Item-05

P-SW-PO-TE-CD-547: Waste Management of Illinois

Waste Management of Illinois, with various locations throughout the State, requests preliminary approval of not-to-exceed \$100 million in Solid Waste Disposal Revenue Bonds. Bond proceeds will be used to finance landfill and transfer station improvements and to purchase containers, transportation equipment, and equipment for use at Waste Management solid waste disposal facilities statewide. In connection with this issuance, Waste Management also requests not-to-exceed \$100 million in available IFA Carryforward Volume Cap. This project is expected to create 20 new jobs and 30-40 construction jobs.

Chairman Gustman requested leave of the Members to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-05).

Item-06

I-ID-TE-CD-558: Ockerlund Industries and a LLC to be formed

Ockerlund Industries, Inc. and/or its affiliates and subsidiaries, located in Addison, seek preliminary approval of not-to-exceed \$4 million in Industrial Development Bonds. Proceeds will be used to acquire a 140,000 square foot site and to acquire, renovate and equip a 77,930 square foot industrial building to manufacture corrugated and wood boxes for manufacturers and transportation companies. In connection with this issuance, the Borrower also requests not-to-exceed \$4 million in available 2005 IFA Volume Cap. This project is expected to create 10 new jobs and 15 construction jobs.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-06).

Item-07

A-DR-TX-GT-551: M. Marilyn Kuntz (d/b/a J. Mar Farm)

M. Marilyn Kuntz, doing business as J Mar Farm, in Princeville, seeks preliminary approval of a not-to-exceed \$500,000 Agri-Debt Guarantee, to restructure existing debt on 158 acres of farmland and 11 acres with improvements, including hog buildings, sheds and a residence, subject to Borrower satisfying all conditions of the bank loan.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-07).

Item-08

A-FB-TE-CD-544: Buddy Joe Honegger

A-FB-TE-CD-545: Kyle J. Vitzhum

A-FB-TE-CD-548: Adam & Teresa Curry

A-FB-TE-CD-553: Ronald & Christine Rooth

Buddy Joe Honegger of Forrest requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **\$184,000**.

Kyle J. Vitzhum of Pontiac requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **\$45,525**.

Adam & Teresa N. Curry of Alpha request initial approval of a Beginning Farmer Bond in an amount not-to-exceed **\$187,500**.

Ronald B. & Christine L. Rooth of Joy request initial approval of a Beginning Farmer Bond in an amount not-to-exceed **\$230,000**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-08).

Item-09

A-FB-TE-CD-541: Stephen & Judy Niebrugge

A-FB-TE-CD-542: David Carson

A-FB-TE-CD-543: Larry Markewitz

A-FB-TE-CD-566: Blake Furness

Stephen A. & Judy K. Niebrugge of Altamont request initial approval of a Beginning Farmer Bond in an amount not-to-exceed **\$100,000**.

David Carson of Oakdale requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **\$100,000**.

Larry R. Markewitz of Brocton requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **\$179,522**.

Blake Furness of Witt requests initial approval of a Beginning Farmer Bond in an amount not-to-exceed **\$180,200**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-09).

Final Project Considerations

Item-10

B-LL-TX-549: Martain & Rebecca Koster

Martin & Rebecca Koster of Morrison seek final approval of a Participation Loan in an amount not-to-exceed **\$200,000** to provide

financing for the purchase of 194 acres of farmland, **subject to the Borrower satisfying all conditions of the bank loan and the assignment of \$200,000 in life insurance.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-10).

Item-11

A-SG-TX-GT-546: Jeffrey and Trisha Hank

R. Jeffrey & Trisha T. Hank of Aledo seek final approval of a Specialized Livestock Guarantee in an amount not-to-exceed **\$479,800** to finance the construction of a 2400 head wean to finish hog facility, **subject to the Borrower satisfying all conditions of the bank loan and the assignment of \$400,000 in life insurance.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-11).

Item-12

B-LL-TX-554: Kenneth and Virginia Lasater

Kenneth and Virginia Lasater of McLeansboro seek final approval of a Participation Loan in an amount not to exceed **\$450,000** to be used for the purchase of 577.82 acres of farm land, **subject to the Borrower satisfying all conditions of the bank loan.**

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-12).

Item-13

A-SG-TX-GT-530: Kenneth Barker

Kenneth A. Barker of Lewistown seeks final approval of a Specialized Livestock Guarantee in an amount not-to-exceed **\$88,000** to provide financing for the refinancing of the recent purchase of a herd of breeding stock and an existing loan secured by livestock and machinery.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-13).

Item-14

A-FB-TE-CD-530: Weston Wilhour

A-FB-TE-CD-531: Chad Wilhour

Weston Wilhour of Beecher City requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **\$48,750.**

Chad Wilhour of Altamont requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **\$48,750**.

The Chairman requested leave to apply the last unanimous vote. Leave was granted. The motion was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-14).

Item-15

A-FB-TE-CD-528: Joseph & Lisa Kapraun

A-FB-TE-CD-529: C. Todd Urish

A-FB-TE-CD-540: Jeffrey Delheimer

Joseph L. & Lisa K. Kapraun of El Paso request final approval of a Beginning Farmer Bond in an amount not-to-exceed **\$62,500**.

C. Todd Urish of Green Valley requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **\$250,000**.

Jeffrey A. Delheimer of Elgin requests final approval of a Beginning Farmer Bond in an amount not-to-exceed **\$178,012**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-15).

Item-16

M-MH-TE-CD-408: Villagebrook Apartments Limited

Partnership

Villagebrook Apartments Limited Partnership, of Carol Stream, is seeking final approval of not-to-exceed **\$12.5 million** in conduit, tax-exempt multi-family housing revenue bonds to fund the purchase and renovation of an existing 189-unit affordable multifamily rental property. In connection with this issuance, the Borrower also requests not-to-exceed **\$12.5 million** in available **IFA Carryforward Volume Cap**. This project is expected to create **1 new job and 10 construction jobs**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-16).

Item-17

B-LL-NP-TX-412: Freeport Economic Development Foundation

Freeport Area Economic Development Foundation, Inc. of Freeport seeks final approval of a six-month extension of its **\$250,000** Participation Loan. This project was originally approved at the August 2004 Board Meeting. The participation loan remains **subject to the Borrower satisfying the conditions imposed at the time of approval in August 2004**. This project is expected to create **1.5 new jobs and 15 construction jobs**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-17).

Item-18 **Withdrawn**

Item-19 **L-GO-TE-CD-524: County of Kankakee**

The County of Kankakee requests final approval of not-to-exceed \$29 million Local Government Revenue Bonds. Proceeds will be used to construct and equip a 384-bed jail facility.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-19).

Item-20 **Withdrawn**

Item-21 **H-HO-TE-CD-534: Resurrection Healthcare**

Resurrection Health Care, with multiple locations in Chicago, is seeking final approval of not-to-exceed \$375 million in conduit, not-for-profit revenue bonds. Bond proceeds will be used to fund approximately \$251 million of construction, renovation and remodeling to current structures and to refinance or refund certain outstanding IHFA bonds. This project is expected to create 848 construction jobs.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-21).

Item-22 **H-SL-RE-TE-CD-520: Life Care Retirement Communities, Inc. (Beacon Hill)**

Life Care Retirement Communities, Inc. doing business as Beacon Hill, with a facility in Lombard, requests final approval of not-to-exceed \$15 million in conduit, 501(c)(3) revenue bonds for the purpose of refinancing certain outstanding IHFA bonds and funding approximately \$300,000 of new capital projects at the Lombard facility. The project requires a waiver from the IFA's policy on non-rated debt.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-22)

Item-23

H-SL-RE-TE-CD-521: Friendship Village of Schaumburg

Evangelical Retirement Homes of Greater Chicago, Inc. doing business as Friendship Village of Schaumburg, with a facility in Schaumburg, is seeking approval of a purchase contract resolution authorizing the sale of not-to-exceed **\$130 million** in conduit, tax-exempt bonds to refinance certain outstanding IHFA debt and to finance construction of a new residential independent living apartment facility. **The project requires a waiver from the IFA's policy on non-rated debt.**

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The project was approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-23).

Item-24

B-LL-TX-582: Pere Marquette Hotel Associates, L.P.

Pere Marquette Hotel Associates, L.P. of Peoria seeks final approval of a Participation Loan in an amount not to exceed **\$1 million**. Loan proceeds will be used to finance the refurbishment of the 288-room Hotel Pere Marquette and to pay off the remaining existing mortgage and reduce debt service payments. **The loan is subject to (i) satisfactory review by the IFA of the Caterpillar lease, (ii) receipt and review by the IFA of a fair market value appraisal of the project, and (iii) receipt from the Borrower of a closing certificate attesting to the accuracy of certain representations and warranties.** This project is expected to create **5 new jobs and 50 construction jobs.**

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-24).

Item-25

L-GO-TE-CD-562: Village of South Roxana

Village of South Roxana requests final approval of not-to-exceed **\$200,000** Local Government Revenue Bonds, the proceeds of which will be used as working cash to continue to provide services including police protection and public works. Approval is **subject to the Borrower establishing an intercept pledge and demonstrating 1.25 times debt service coverage.**

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-25).

Handout

E-PC-TE-CD-525: North Park University

North Park University, located in Chicago, requests final approval of not-to-exceed **\$33 million** conduit tax-exempt revenue bonds.

Proceeds will be used to purchase land, renovate structures, and fund campus projects, including the construction and equipping of a new recreation center and renovation of the Holmgren Athletic Complex. This project is expected to create **9 new jobs** and **300 construction jobs**.

The Chairman requested leave of the Members to apply the last unanimous vote. Leave was granted. The projects were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-Handout).

Resolutions

Item-26 **Resolution Number 2005-06: Appointing an Interim Executive Director of the Illinois Finance Authority**

Resolution Number 2005-07: Authorizing the Establishment of Certain Banking Relationships and Delegating Authority for the Management and Maintenance of Said Relationships

The Chairman requested leave of the Members to apply the last unanimous vote to each of the two resolutions. Leave was granted. The resolutions were approved with 10 ayes, 0 nays, and 0 abstentions/present (05-04-26).

Chairman Gustman then announced that the time of future IFA Board Meetings would be changed from 1:30 P.M. to 11:30 A.M, but the Committee of the Whole would continue to meet at 8:30 A.M. He also informed the public that proper notifications would be made as accorded under the Open Meetings Act.

The Chairman asked if there was any other business to come before the Committee or if any member of the public wished to address the Committee. There being no further business, Chairman Gustman adjourned the meeting at approximately 2:08 P.M.

Respectfully Submitted,


Michael R. Pisarcik, Secretary

Resolution Number 2005-08

Resolution Authorizing Certain Amendments to the Illinois Finance Authority's Farmers Home Administration – Rural Development Program

WHEREAS, the Illinois Development Finance Authority (“IDFA”), a predecessor Authority to the Illinois Finance Authority (the “Authority”), was loaned certain funds by the federal Farmers Home Administration (FmHA) to be reloaned to eligible borrowers to fund qualified rural development projects in the State of Illinois (the “Rural Development Loans”); and

WHEREAS, the terms under which IDFA made Rural Development Loans was governed by an Intermediary Relending Program Work Plan between IDFA and FmHA (the “Plan”)

WHEREAS, pursuant to Section 845-75 of the Illinois Finance Authority Act, 20 ILCS 3501/801-1 *et seq.* (the “Act”), the Authority succeed to the rights and obligations of the IDFA under the Plan; and

WHEREAS, because certain conditions and restrictions set forth in the Plan relating to interest rates, loan maturity term and loan size are contrary to current market and lending conditions, a Rural Development Loan has not been made since 1999; and

WHEREAS, the Plan provides for its amendment, provided that any changes or modifications thereto are agreed to in writing by the Authority and FmHA; and

WHEREAS, officials of the Authority have discussed with officials of FmHA proposed changes to the Plan that are intended to make Rural Development Loans more marketable; and

WHEREAS, the Members of the Authority find it to be in the best interests of the Authority and eligible recipients of Rural Development Loans that changes be made to the Plan to increase the marketability of such Loans; and

WHEREAS, the Members of the Authority have the power to adopt this Resolution pursuant to Sections 801-15, 801-25, and 801-30 of the Act; and

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

Section 1. Recitals. The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. Changes. The Members of the Authority hereby authorize and direct the Executive Director (said term shall also be deemed to include any person duly appointed to act in such capacity) to seek amendments to the Plan that would permit (i) a loan maturity of not to exceed twenty (20) years, (ii) an interest rate that is tied to an index, and (iii) loan amounts sufficient to cover not to exceed 80% of project costs.

Section 3. Powers. The Members of the Authority hereby authorize the Executive Director to contact the FmHA and begin negotiates to attain the changes set forth in Section 2 hereof. The Executive Director is further empowered to negotiate and approve the final terms of such amendments as she deems to be reasonable and in the best interests of the Authority, provided such terms are consistent with this Resolution. The Board further authorizes the Executive Director to execute any such agreement or document necessary to implement these changes, with such execution to constitute conclusive evidence of such person's approval and the Authority's approval of any changes to the Plan. 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 this Resolution and within the parameters set forth herein, whether heretofore or hereafter taken or done, shall be and are hereby authorized, ratified, confirmed and approved.

Section 4. Enactment. This Resolution shall take effect immediately. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

This Resolution 2005-08 is adopted this 10th day of May 2005 by roll vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

Chairman

Attest to:

Secretary

Resolution Number 2005-9

Resolution Appointing a Treasurer of the Illinois Finance Authority

WHEREAS, Section 845-40 of the Illinois Finance Authority Act, 20 Illinois Compiled Statutes 3501/801-1 et seq. (the "Act"), requires the Members of the Illinois Finance Authority (the "Authority") to appoint a Treasurer; and

WHEREAS, pursuant to Resolution 2004-5, dated January 5, 2004, duly adopted by the Members of the Authority, the Members appointed Michael R. Pisarcik to serve as Treasurer; and

WHEREAS, Michael R. Pisarcik has indicated his desire to resign from the position as Treasurer, effective upon the due appointment and qualification of his successor; and

WHEREAS, the Members now find it to be in the best interests of the Authority to appoint the Authority's Chief Financial Officer, Jose Garcia, to serve as its Treasurer; and

WHEREAS, the Members have the power to adopt this Resolution pursuant to Sections 801-15, 801-25, 801-30 and 845-40 of the Act; and

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

Section 1. *Recitals.* The recitals set forth above are hereby found to be true and correct and are incorporated into this Resolution as if fully set forth herein.

Section 2. *Appointment of Treasurer.* Jose Garcia is hereby appointed to the office of Treasurer of the Illinois Finance Authority and shall hold office during the pleasure of the Authority. Before entering upon the duties of Treasurer of the Authority, Jose Garcia shall take and subscribe to the constitutional oath of office and shall execute a bond with corporate sureties. Michael R. Pisarcik shall remain in and have the powers of the office of Treasurer until Jose Garcia shall have satisfied the conditions set forth in the Section 2. Upon Jose Garcia's satisfaction of said conditions, Michael R. Pisarcik's resignation shall take immediate effect without the need for any further action by the Members.

Section 3. *Surety Bond.* The surety bond of the Treasurer shall be payable to the Authority in the penal sum of not less than \$100,000 conditioned upon the faithful performance of the duties of Treasurer and the payment of all moneys received by him according to law and the order of the Authority. Such bond shall satisfy all of the requirements of Section 845-40 of the Act. Authority is hereby delegated to the Executive Director to approve the Treasurer's bond and to establish the penal sum of such bond (being not less than \$100,000).

Section 4. *Enactment.* This resolution shall take effect immediately. If any section, paragraph or provision of this resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this resolution.

This Resolution 2005-9 is adopted this 10th day of May, 2005, by roll call vote as follows:

Ayes:

Nays:

Abstain:

Absent:

Vacant:

Chairman

Attest to:

Secretary